

Schaeffler India Limited · Pune · Maharashtra

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI- 400 001

Company Code: 505790

National Stock Exchange of India Limited

Exchange Plaza, C - 1, Block G,
Bandra-Kurla Complex, Bandra (E)
MUMBAI- 400 051

Company Code: SCHAEFFLER

04/04/2026

**Sub.: Integrated Annual Report 2025 and Notice of 63rd Annual General Meeting
of Schaeffler India Limited.**

Dear Sirs,

Phone: +91 20 6819 8400

Pursuant to the provisions of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the Integrated Annual Report for the year ended December 31, 2025, which also includes Notice of 63rd Annual General Meeting of the Company.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For **Schaeffler India Limited**

**ASHISH
TIWARI**

Digitally signed by ASHISH TIWARI
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Ashish Tiwari

VP – Legal & Company Secretary

Encl.: As above

We pioneer motion

SCHAEFFLER

Schaeffler India Limited
Integrated Annual Report 2025

**THE
MOTION
TECHNOLOGY
COMPANY**

The Motion Technology Company

At Schaeffler India, our mission is to engineer the future of mobility. We are preparing for the transformation in the country, while leveraging the Group's solutions in emerging technologies to ensure a sustainable future for all.

Every action of ours reflects our commitment to agility, sustainability, and deep customer connections. We are globally connected, locally invested, and passionately engaged with our people and society.



Find out more online



we-pioneer-motion.com, schaeffler.com, schaeffler.co.in



[@schaefflerGroup](https://twitter.com/schaefflerGroup)



[@schaefflerIndia](https://www.facebook.com/schaefflerIndia)



[Schaeffler](https://www.linkedin.com/company/Schaeffler)

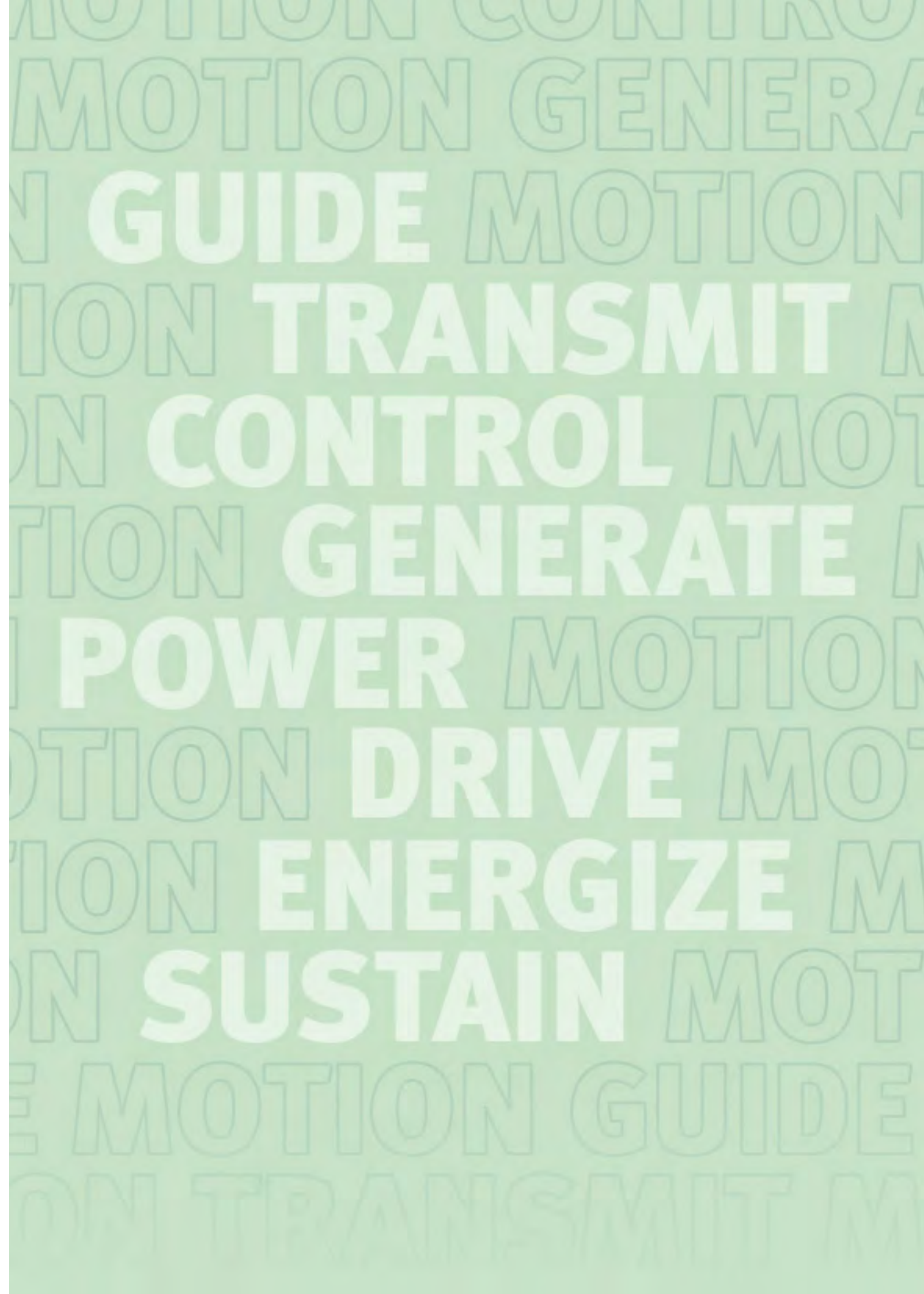


Table of Contents

Schaeffler Group 05

Corporate Overview	
2025 at a Glance	11
Reporting Philosophy	13
Schaeffler India	15
Our Distinctive Edge	19
Value Creation Model	21



Year 2025	
Message from Chairwoman	25
Message from MD & CEO	29
Message from Director – Finance & CFO	33
Commitment to Investors	37
Defining Identity	39

Strategy	
Operations and Strategic Priorities	45
Research and Development	49

Business Review	
Automotive Technologies	53
Vehicle Lifetime Solutions	57
Bearings & Industrial Solutions	61

ESG	
Stakeholder Engagement	71
Double Materiality	77
ESG Oversight	78
Environment	79
Social: Suppliers	83
Social: Employees	85

Social: Community	89
Governance	99
Board of Directors	105
Executive Leadership Team	109
Risk Management	111
Awards	118

Corporate Information 119

Statutory Reports	
Management Discussion and Analysis	120
Business Responsibility and Sustainability Report	124
Directors’ Report	178
Corporate Governance Report	202

Financial Statements Standalone

Independent Auditor’s Report	224
Balance Sheet	232
Statement of Profit and Loss	233
Statement of Cash Flows	234
Statement of Changes in Equity	235
Notes to the Financial Statements	236

Consolidated

Independent Auditor’s Report	286
Balance Sheet	293
Statement of Profit and Loss	294
Statement of Cash Flows	295
Statement of Changes in Equity	296
Notes to the Financial Statements	297

Notice of AGM 349



Schaeffler Group

The Motion Technology Company

Motion Technology drives human evolution. It shapes our environment, expands our potential and fuels societal progress. The pursuit of innovation in motion technology has been the cornerstone of Schaeffler’s pioneering spirit.

Motion, our strategic imperative

We offer our customers a unique product and service portfolio. It is organised into eight product families with products and services that are linked by one common theme: motion. From best-in-class bearings to complex powertrains and from engine control units to smart repair solutions.



06 Drive Motion

Efficient E-drives and E-motors for mobility systems



05 Power Motion

Electric energy conversion and control for efficient mobility



07 Energise Motion

Solutions for future sustainable energy supply



01 Guide Motion

Excellence in bearings for best efficiency



02 Transmit Motion

Transmission solutions for precision and comfort



04 Generate Motion

High-performing actuation systems for various applications



03 Control Motion

Smart electronic units and sensors for motion control systems



08 Sustain Motion

Repair and monitoring solutions to extend lifetime

MOTION AS THE
CONNECTING
ELEMENT

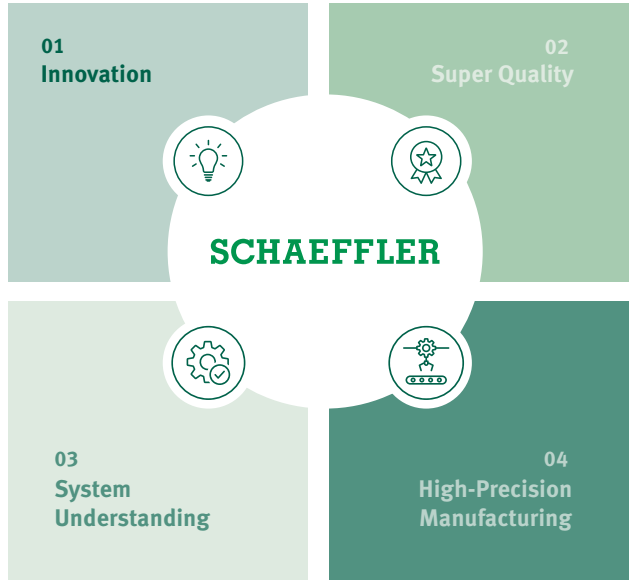
Schaeffler Group

Driving innovation and global excellence

The Schaeffler Group has been driving forward groundbreaking inventions and developments in the field of motion technology for 80 years. With innovative technologies, products, and services for electric mobility, CO₂-efficient drives, chassis solutions and renewable energies, we are a reliable partner for making motion more efficient, intelligent, and sustainable – over the entire life cycle.

Over the decades, Schaeffler has expanded its technological footprint through the integration of INA, LuK, FAG, and Vitesco strengthening its expertise across bearings, clutch systems, powertrain components, and industrial applications. The consolidation of these brands under the Schaeffler Group in 2002 marked a significant milestone in the Company's evolution as a diversified motion technology enterprise.

Schaeffler operates with around 110,000 employees and more than 250 locations in 55 countries, one of the world's largest family-owned companies and one of Germany's most innovative companies.



Vision:
Becoming the leading Motion Technology Company

Schaeffler never stands still. We embrace challenges to develop breakthrough innovations and advance technological progress. With our pioneering spirit, we relentlessly go forward to support our customers with the best solutions.

Mission:
We offer innovative products and services in the field of motion

Our mission expresses how we realise our purpose and our vision. For decades, fulfilling our customers' needs with innovative products and services has been the backbone of Schaeffler's success. And it continues to be.

€23.5

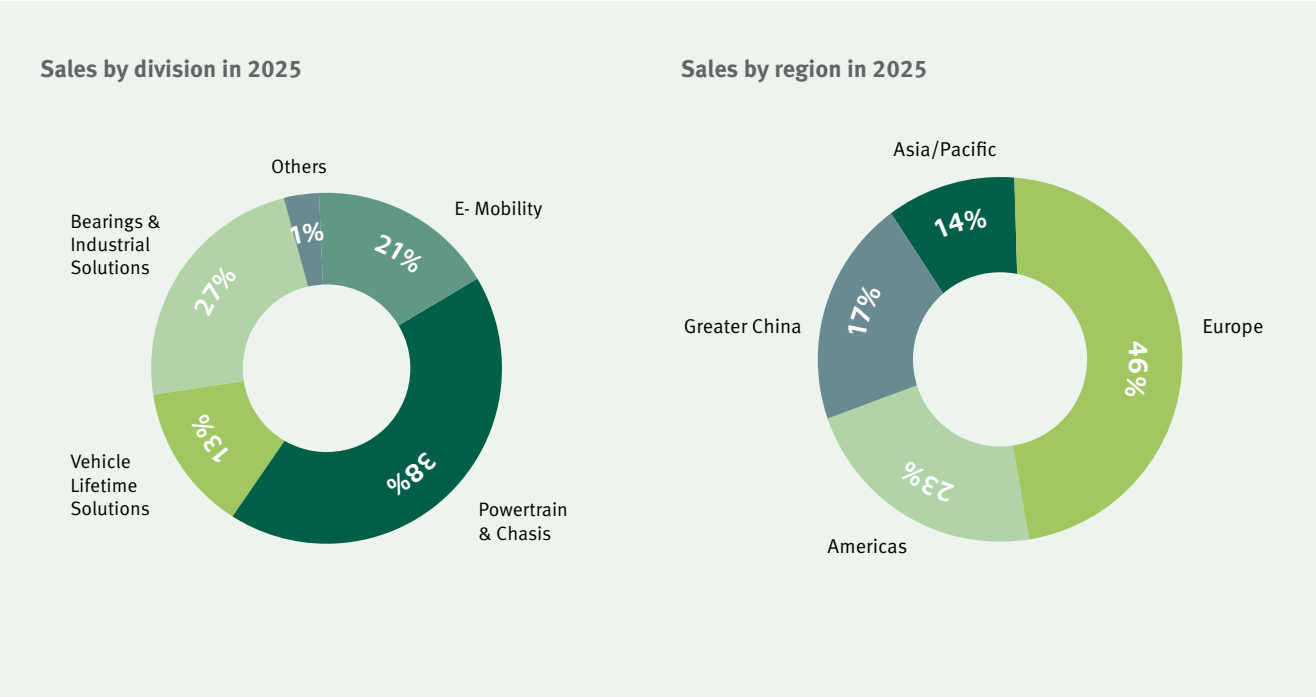
billion of sales in 2025

4.0%

EBIT margin in 2025

55

countries



110,000

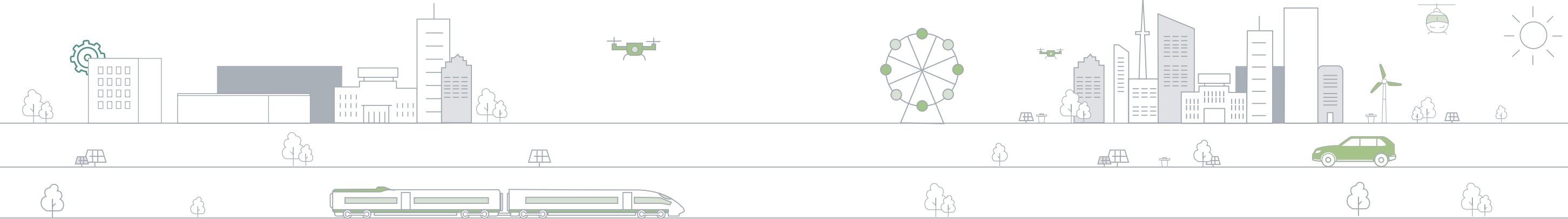
employees worldwide

104

plants

41

R&D centres



Note: Figures relating to countries, employees and plants are presented on an approximate basis.



The pursuit of Motion
Technology has been
the cornerstone
of Schaeffler's
pioneering spirit.

Corporate Overview

2025 at a glance	11
Reporting Philosophy	13
Schaeffler India	15
Our Distinctive Edge	19
Value Creation Model	21

2025 at a Glance





Financial

Through every opportunity and challenge, we fuel our sustainable growth journey.

₹93,953mn
Sales | ↑ 16.3%

₹18,376mn
EBITDA | ↑ 22.8%

₹11,962mn
PAT | ↑ 22.4% to sales

₹3,836mn
Capex | 4.1% to sales



Environmental

We are consistently aligning our climate targets to scientific standards and actively shaping change to ensure a sustainable, competitive future – for our Company, our customers, and society.

37,241tCO₂
Emissions averted

15,935m³
Freshwater conserved



Social

Our people, customers, suppliers and communities matter.

60%
Sustainable sourcing

129,149
CSR beneficiaries



Governance

For us, integrity and accountability is a foremost priority.

30%
Women in leadership team

38%
Independent Directors

EBITDA: Earnings before Interest, Taxes, Depreciation, and Amortisation | PAT: Profit After Tax | Capex: Capital Expenditure
↑ Increased, Financial figures based on standalone financial statements

Corporate Overview

Reporting philosophy

Schaeffler India’s sixth Integrated Report presents a comprehensive overview of how the Company creates sustainable value through deliberate alignment of strategy, governance, performance, risk management, ESG priorities, and outlook for the financial year ended December 31, 2025. The report seeks to provide stakeholders with a balanced, transparent, and forward-looking account of how the Company creates and sustains value over the short, medium, and long-term.

The Integrated Report reflects Schaeffler India’s commitment to disciplined performance, enterprise resilience, and responsible business conduct. It brings together financial and non-financial information to present a cohesive view of value creation across strategic, operational, and sustainability dimensions.

Value creation across the six capitals

Schaeffler India’s business model transforms inputs across six capitals into sustainable outcomes:



- Financial Capital**
Disciplined capital allocation, margin stability, and strong cash generation support long-term competitiveness and Shareholder value.



- Manufactured Capital**
Advanced manufacturing facilities, technology platforms, and operational excellence systems enable consistent quality, productivity, and delivery reliability.



- Intellectual Capital**
Engineering expertise, product innovation, R&D capabilities, and digital integration strengthen the Company’s motion technology portfolio and competitive differentiation.



- Human Capital**
Leadership continuity, technical capability, and a culture grounded in safety, compliance, and accountability underpin operational resilience and innovation capacity.



- Social and Relationship Capital**
Trusted partnerships with customers, suppliers, regulators, and communities reinforce reliability, responsible conduct, and ecosystem strength.



- Natural Capital**
Resource efficiency initiatives, energy optimisation, emissions management, and responsible sourcing practices reflect the Company’s commitment to environmental stewardship.

The integration of these capitals is central to Schaeffler India’s strategy. Growth initiatives are aligned with financial prudence. Manufacturing investments incorporate sustainability considerations. Innovation priorities address evolving mobility and industrial needs. Governance oversight ensures accountability and risk discipline across the enterprise.

As a leading motion technology Company, Schaeffler India operates at the intersection of engineering, mobility transformation, industrial productivity, and sustainability expectations. In this environment, value creation depends not only on financial performance but on the effective management and enhancement of multiple forms of capital. The Company’s integrated approach ensures that strategic decisions, capital allocation, and operational priorities are evaluated through a long-term value lens.



By presenting financial and non-financial performance together, this report provides stakeholders with a connected view of how Schaeffler India sustains enterprise resilience while delivering disciplined performance.

Scope and boundary of the report

This Integrated Report covers the financial year from January 01, 2025 to December 31, 2025.

The report pertains to Schaeffler India Limited and includes disclosures related to its manufacturing plants, research and development centres, and corporate offices located in India. Financial information is based on the audited standalone financial statements of Schaeffler India Limited.

Non-financial and sustainability disclosures relate to the Company’s Indian operations, unless otherwise specified. Where relevant, references to the Schaeffler Group are included for strategic context; however, operational and performance data presented herein relate specifically to Schaeffler India Limited.

This report has been prepared in alignment with:

- The principles and content elements of the Integrated Reporting <IR> Framework
- The Companies Act, 2013, and Rules made there under
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- SEBI’s Business Responsibility and Sustainability Reporting (BRSR) requirements
- National Voluntary Guidelines (NVG)
- Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI)
- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)

Our stakeholders

Material matters included in this report have been identified based on their impact on Schaeffler India’s ability to create long-term value and their relevance to key stakeholders:

 Shareholders	 Customers	 Suppliers
 Employees	 Regulators	 Communities

Alignment with UN SDGs



Responsibility statement

The Board of Directors hereby acknowledges and accepts responsibility for the contents of this Integrated Report. The report provides a true and fair representation of the Company’s financial, non-financial, operational, and sustainability performance for 2025. The disclosures made herein demonstrate the Company’s continued commitment to accountability, transparency, and the creation of long-term stakeholder value through integrated and responsible business practices.

Forward-looking statements

Forward-looking statements contained in this report are based on current expectations and assumptions and are subject to risks and uncertainties that may cause actual outcomes to differ materially.

Feedback and point of contact for queries

Stakeholders are encouraged to share feedback to strengthen transparency and reporting effectiveness in future editions.

For queries, please contact: ir.india@schaeffler.com

Schaeffler India

Built for endurance, precision and performance

For over 80 years, Schaeffler has advanced motion technology across automotive and industrial ecosystems. In India, we partner with customers to solve increasingly complex mobility and industrial challenges through precision engineering, system integration, and innovation. Our portfolio combines mechanical excellence with electronics and software capabilities, enabling efficient, connected, and sustainable motion across applications.

Driving the transition in mobility

Automotive Technologies

The Automotive Technologies Division - spanning E-mobility and Powertrain and Chassis is shaping the future of mobility. We deliver advanced, sustainable solutions for cars and commercial vehicles, offering hybrid, fully electric, and fuel cell technologies that combat climate change and meet stringent emissions standards.

Strengthening aftermarket reliability

Vehicle Lifetime Solutions

The Vehicle Lifetime Solutions Division equips garage professionals with quality repair solutions and future-ready support services covering clutch, engine, transmission, and chassis systems. Additionally, KOOVERS expands our aftermarket reach across India.

Enabling industrial performance

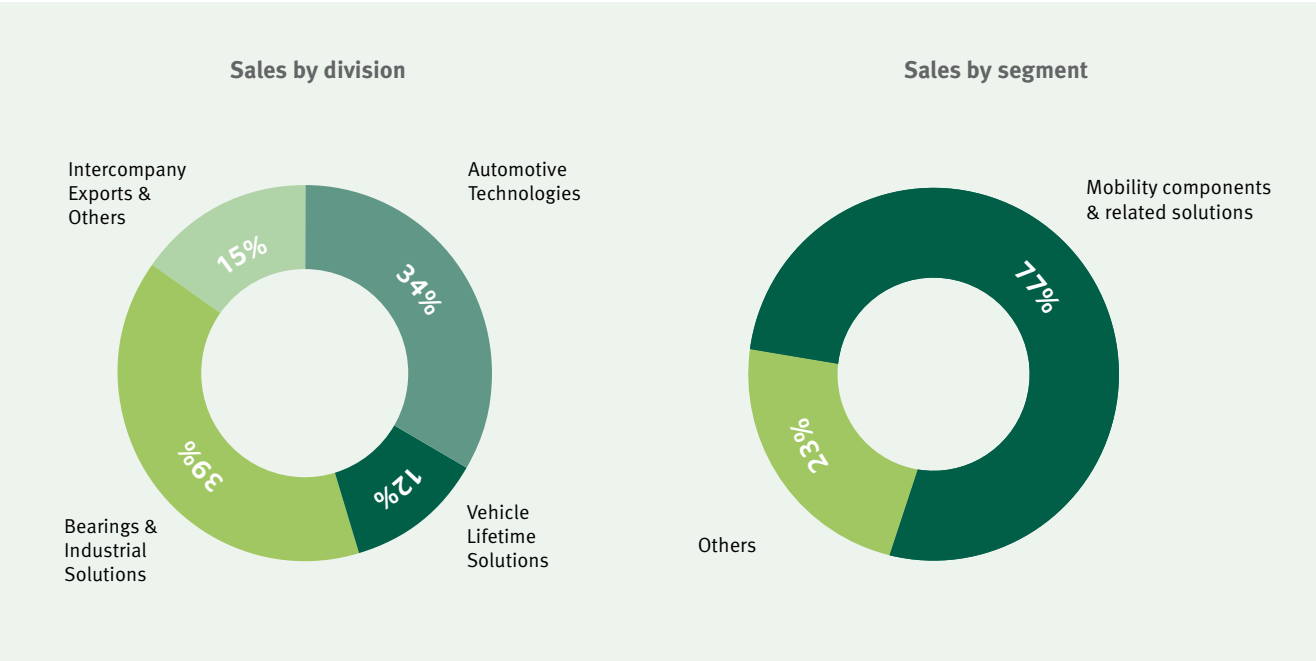
Bearings & Industrial Solutions

The Bearings & Industrial Solutions Division delivers a wide spectrum of high-performance bearing solutions from compact, high-speed designs to large-scale systems spanning meters. Our portfolio includes rolling and plain bearings, linear and direct drive technologies, plus maintenance and monitoring services, with a strong focus on smart, connected components for superior performance.

₹93,953
million sales in 2025

16.1%
EBIT margin in 2025

₹11,962
PAT in 2025



₹76.5
EPS

₹35
dividend per share

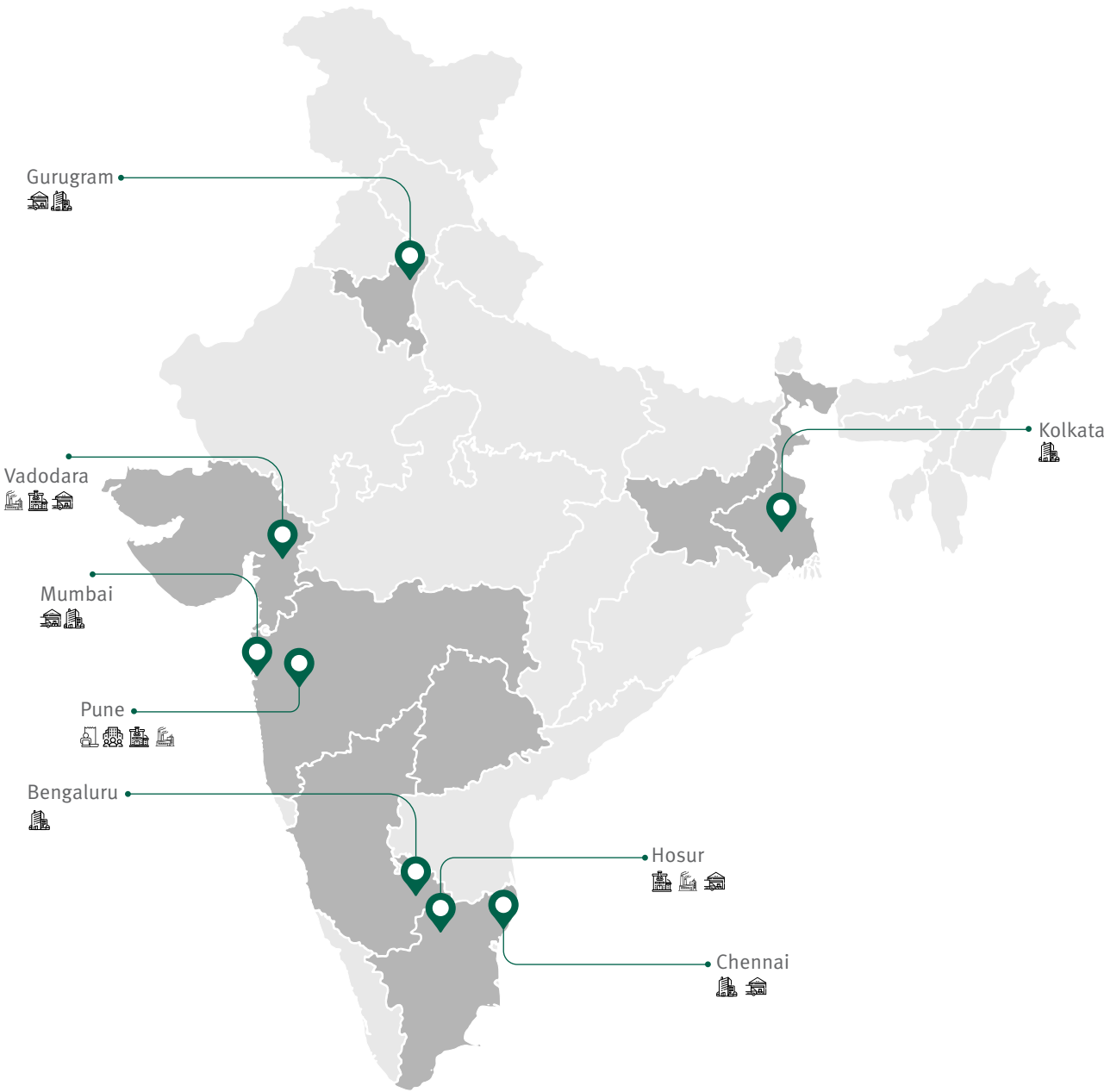
₹607bn
market capitalisation



Note: Numbers based on standalone financial statements for the year ended December 31, 2025, market capitalisation (approximate) as of December 31, 2025

Schaeffler India

Geographic presence



Note: Map not to scale and for representation purpose only

33,000+ Retail network

3,826 Employees

330 Distribution and channel partners

5 Plants

5 Sales offices

3 R&D centres



Our Distinctive Edge

Our value proposition

Our distinctive strength lies in seamlessly integrating deep engineering expertise, a broad portfolio, and disciplined execution into a unified value creation model. Supported by the Schaeffler Group’s global heritage and fortified by a strong manufacturing and customer presence in India, we blend comprehensive system insight with operational excellence to consistently deliver sustained performance and tangible value for our customers.

What sets Schaeffler India apart is a combination of global innovation, local execution, system understanding, and operational discipline. Anchored in motion technology leadership and aligned with emerging industry needs, we help customers navigate change and advance performance in a rapidly evolving landscape.

Our value proposition is defined across six inter-linked dimensions:



System understanding across the motion ecosystem

(Intellectual Capital | Material themes: Innovation, technology leadership)

We leverage the Group’s comprehensive expertise across all aspects of motion with delivering integrated solutions that optimise performance across vehicle and industrial systems. By combining mechanical engineering with electronics and digital technologies, we support the advancement of mobility platforms, electrified drive trains, and smart industrial systems.



Manufacturing excellence and operational discipline

(Manufactured Capital | Material themes: Quality, productivity, supply chain reliability)

Our state-of-the-art manufacturing facilities in India, supported by robust quality systems and process excellence, ensure reliable delivery. Precision production, continuous productivity gains, and strict cost discipline enhance competitiveness while upholding high performance standards. Operational discipline is central to our execution.



Trusted ecosystem partnerships

(Social and Relationship Capital | Material themes: Customer trust, responsible business conduct)

Long-standing partnerships with OEMs, industrial clients, suppliers, and service providers reinforce value chain reliability. Our customer-centric approach extends beyond supply to include engineering support, training, and lifecycle solutions, building strong stakeholder trust through dependable delivery and quality.



Responsible resource stewardship

(Natural Capital | Material themes: Energy efficiency, emissions management, sustainable operations)

Energy efficiency, resource optimisation, and environmental management are integral to our operations. Sustainability drives product design, manufacturing, and supply chain decisions, underscoring our commitment to responsible, long-term industrial growth.



Portfolio balance across cycles

(Financial Capital | Material themes: Revenue resilience, portfolio diversification)

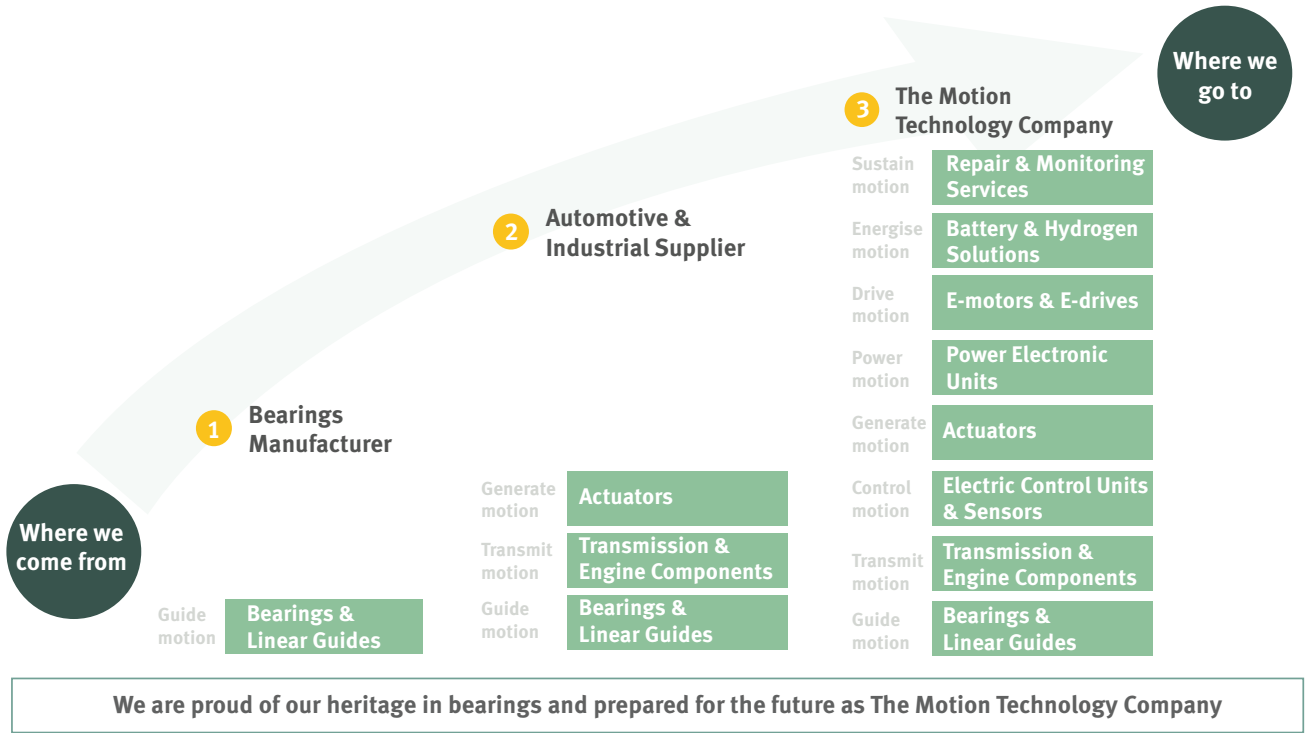
A diversified portfolio across Automotive Technologies, Vehicle Lifetime Solutions, and Bearings & Industrial Solutions creates structural balance, enhancing resilience through demand cycles. This supports performance, cash flow, disciplined capital allocation, and sustained performance amid market volatility.



Engineering capability and talent depth

(Human Capital | Material themes: Capability building, leadership continuity, safety)

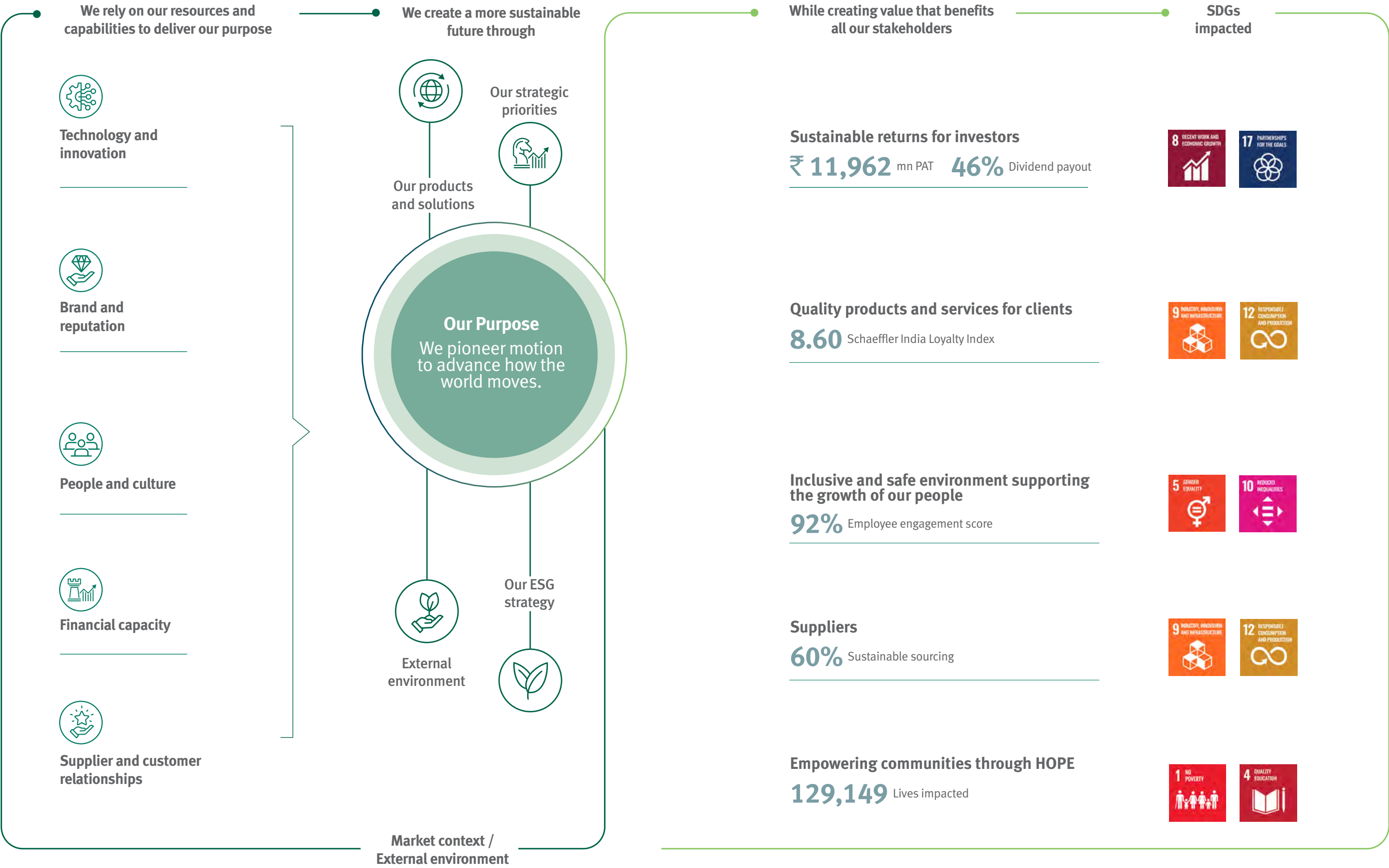
Our performance is driven by engineering expertise, stable leadership, and a culture of accountability and compliance. Ongoing capability development fuels innovation and operational resilience, while technical depth and disciplined governance empower us to navigate transformation effectively.



Value Creation Model

Powered by innovation and excellence

Sustainable and profitable growth





India is a strategic
growth engine,
powered by customer
proximity, localisation
depth and a portfolio
built for India's needs.

Year 2025

Message from Chairwoman	25
Message from MD & CEO	29
Message from Director - Finance & CFO	33
Commitment to Investors	37
Defining Identity	39



Eranti Sumithasri
Chairwoman

Leading with Strength

Dear Stakeholders,

It gives me immense pleasure to share that Schaeffler India delivered another year of exemplary performance, demonstrating the strength of a business built on operational excellence, financial prudence, and institutional stability.

The year unfolded in an environment characterised by evolving mobility ecosystems, shifting industrial cycles, and continued global economic uncertainty. Demand patterns across sectors remained dynamic, supply chains continued to recalibrate and cost environments required careful navigation. Yet amid this variability, Schaeffler India sustained its growth trajectory while strengthening the quality and resilience of its earnings. The outcome reflects the Company’s structural strengths – a balanced portfolio across automotive and industrial businesses, disciplined capital allocation, and mature operating systems that enable consistency across cycles. Strong cash generation, stable margins, and reliable delivery performance reaffirm Schaeffler India’s ability to convert strategic intent into measurable outcomes allowing the Company to align with India’s growth trajectory.

India is in a new industrial era, propelled by scale, resilience, and ambition. Ranked among the fastest-growing economies globally, it is on track to become the world’s third-largest economy. While there are recent adjustments to the country’s growth outlook to neutral due to emerging domestic and global challenges, India is still expected to maintain its status as one of the fastest-growing major economies, albeit at a more moderated pace compared to previous high-growth periods. Over the year, this performance was supported by multiple factors such as robust domestic demand, Income Tax and Goods and Services Tax rationalisation, softer crude oil prices and front-loading of government capital expenditure. Schaeffler India is committed to be a part of this growth story by driving innovation in mobility solutions, strengthening localisation, expanding manufacturing footprint, and investing in sustainable technologies that support the nation’s long-term economic momentum.



Schaeffler India sustained its growth trajectory while strengthening the quality and resilience of its earnings. The outcome reflects the Company’s structural strengths – a balanced portfolio across automotive and industrial businesses, disciplined capital allocation, and mature operating systems that enable consistency across cycles.

The automotive industry is undergoing a transformative shift driven by rising consumer demand for sustainable mobility and regulatory requirements to reduce carbon emissions. However, the evolving geopolitical environment and potential disruptions in crude supply present significant challenges to India’s growth trajectory and the automotive sector’s progress. Schaeffler India remains confident that its robust product portfolio and technological capabilities equip to navigate these uncertainties and continue driving sector development. The organisation has always been committed to sustainability and will continue to build on this foundation as the industry evolves. The new manufacturing facility at Shoolagiri, Tamil Nadu, reflects commitment to strengthening stakeholder value. With the set up of the E-Axle production line at Talegaon, Schaeffler India has strengthened its capabilities in electric mobility, supporting India’s transition towards cleaner and sustainable motion.

India’s industrial sector is strongly driven by manufacturing expansion in electronics, automobiles, and basic metals, supported by government schemes and robust export momentum. Increasing Index of Industrial Production figures and core industry output reflect this positive trajectory, despite global trade uncertainties. Through portfolio expansion, advance manufacturing capabilities, innovation, and strategic localisation, Schaeffler India continues to support this growth.



The Company benefits from a leadership team with deep domain expertise, supported by a workforce committed to excellence and accountability. Together, they uphold the Company’s high standards of quality, safety, integrity, and compliance principles that have defined the Schaeffler Group globally.

Resilience as a structural advantage

One of the defining characteristics of Schaeffler India is its enterprise resilience, the capacity to maintain stability and performance despite external volatility.

A diversified presence across automotive and industrial businesses provides balance through economic cycles. Operational maturity in manufacturing, supply chain, and quality systems enables the Company to respond with agility to changing conditions. Even as external environments fluctuate, Schaeffler India has consistently upheld its commitments to customers in reliability, product quality, and delivery performance.

This is further reinforced by the Company’s deep localisation strategy, robust supplier ecosystem, and strong engineering capabilities, which together enhance resilience while supporting long-term competitiveness.

Importantly, resilience at Schaeffler India is about designing the enterprise in a way that enables stability, adaptability, and sustainable performance over time.

Financial discipline and capital stewardship

Sustained value creation requires a careful balance between growth ambition and financial discipline.

During the year, Schaeffler India continued to demonstrate strong capital stewardship, supported by healthy operating cash flows and prudent approach to investment. Capital allocation decisions remain guided by long-term strategic priorities while maintaining balance sheet strength and financial flexibility.

The Company continues to invest in technology capabilities, advanced manufacturing, digitisation, and innovation initiatives that strengthen its competitive positioning across evolving mobility and industrial landscapes. At the same time, disciplined cost management and operational efficiency remain integral to maintaining profitability and resilience.

Creating value beyond business

Schaeffler India’s work in water conservation, access to education, and climate resilience are designed to create measurable impact and long term stability. Initiatives on water conservation, HOPE Engineering Scholarships and agro forestry exemplify this commitment. By integrating

technological advancement with human progress, the Company ensures that its growth is inseparable from the well being of the communities we serve. I am pleased to share that this year too, Schaeffler India has been honoured with awards for water preservation initiatives and for its work in women empowerment and inclusion. These are a few among the many recognitions we have received for CSR efforts.

Institutional strength and governance

Institutional capability remains Schaeffler India’s most enduring strengths.

The Company benefits from a leadership team with deep domain expertise, supported by a workforce committed to excellence and accountability. Together, they uphold the Company’s high standards of quality, safety, integrity, and compliance driving sustainable growth and long-term value creation.

Strong governance frameworks further reinforce this foundation. Transparent processes, disciplined risk management, and effective leadership oversight ensure that the organisation remains responsive to emerging opportunities and challenges while maintaining strategic discipline.

During the year, the Board also witnessed certain transitions. Mr. Dharmesh Arora and Mr. Amit Kalyani stepped down from the Board to pursue other professional commitments. On behalf of the Board, I extend sincere appreciation for their valuable contributions to the Company’s strategic direction and governance. We wish them continued success in their future endeavours. I am also pleased to welcome Mr. Maximilian Fiedler to the Board of Schaeffler India. His extensive global experience and strategic vision will be invaluable as we continue to drive innovation and growth in the Indian market.

Strengthening stakeholder trust

The long-term success of Schaeffler India is intrinsically linked to the trust and confidence of its stakeholders.

Company’s Shareholders expect consistent value creation. Customers rely for technology leadership and dependable performance. Suppliers are integral partners in building resilient supply chains. Employees seek purpose, growth, and stability. Communities expect responsible and sustainable conduct.

The Company’s ability to deliver consistent outcomes year after year strengthens this trust. Over time, credibility built through disciplined execution becomes one of the organisation’s most valuable assets.

I am delighted to share that, Schaeffler India was also included in the S&P Sustainability Yearbook 2026, reflecting the Company’s continued progress in integrating sustainability into its business practices, governance frameworks, and long-term strategy.



One of the defining characteristics of Schaeffler India is its enterprise resilience, the capacity to maintain stability, and performance despite external volatility.

Looking ahead

While uncertainty will continue to shape global economic environment, Schaeffler India enters the future from a position of strength.

As mobility technologies evolve and industrial ecosystems transform, Schaeffler India remains well-positioned to capture emerging opportunities. Investments will continue to align with strategic priorities, and governance will remain central to responsible decision-making.

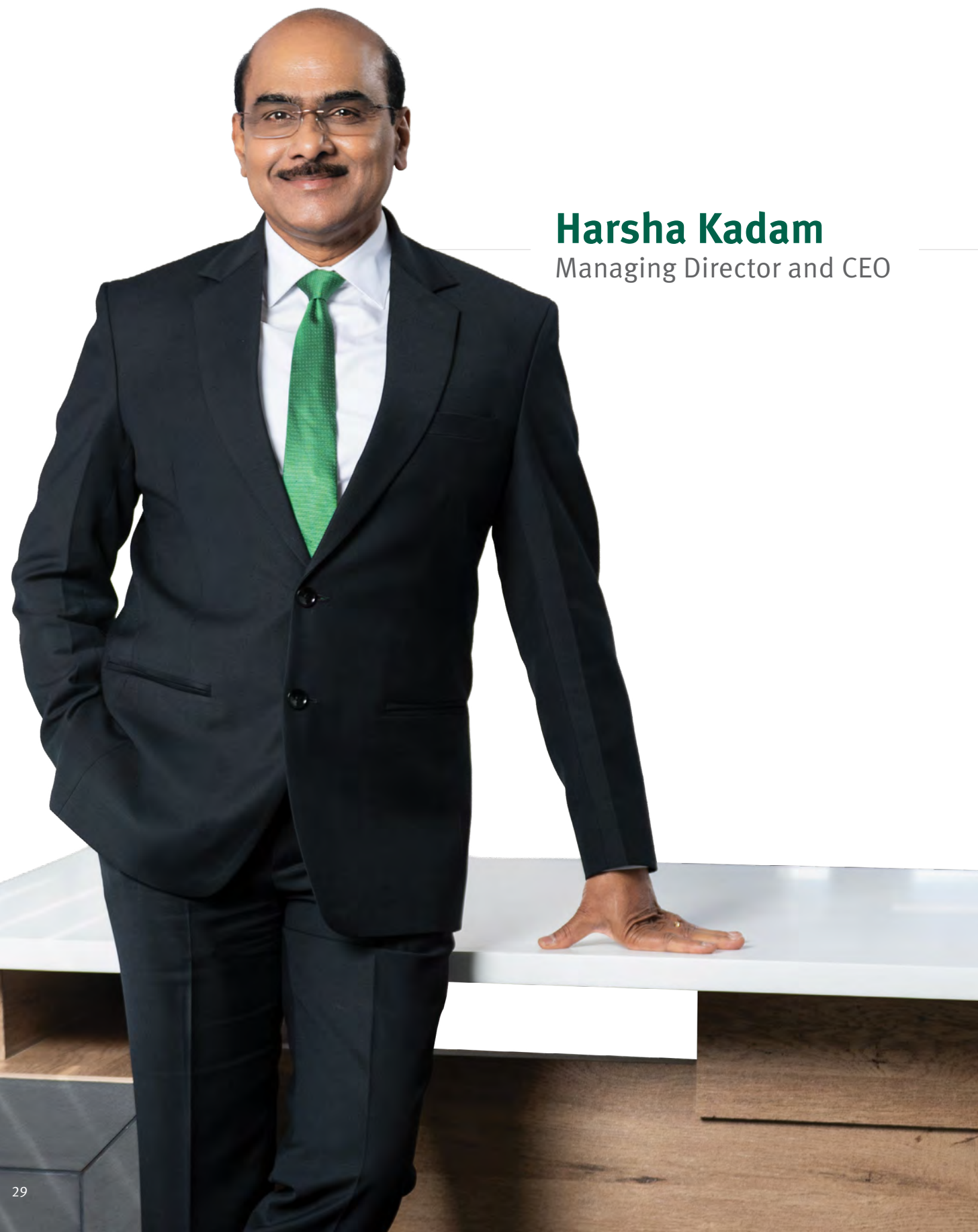
With these foundations in place, the Company is well equipped to strengthen enterprise resilience, sustain performance across cycles, and create enduring value for all stakeholders.

On behalf of the Board, I would like to express my sincere appreciation to the management team and employees whose dedication and professionalism continues to drive the organisation forward. I also thank our Shareholders, customers, suppliers, and partners, and communities for their continued trust and support.

Schaeffler India’s journey is built on discipline, resilience and institutional strength, and we remain committed to advancing this legacy in the years ahead.

Eranti Sumithasri





Harsha Kadam
Managing Director and CEO

Enterprise Resilience

Dear Stakeholders,

As the world undergoes significant economic, technological, and social changes, it is crucial to understand the evolving landscape that shapes our future. Industrial transitions are rarely linear. Instead, they progress through cycles of rapid growth, adjustments, realignments, and revitalisation. India is presently experiencing such a phase - upgrading its infrastructure, boosting local manufacturing, promoting electrification, and integrating sustainability more deeply into its economic policies. 2025 was a year shaped by supply chains realignments, mixed demand in select automotive segments, continued infrastructure momentum, and heightened expectations around governance and sustainability. Together, these factors challenged prevailing operating models across industries.

In this evolving landscape, Schaeffler's global identity as The Motion Technology Company holds strategic relevance. Our strength lies in the combination of mechanical and mechatronic expertise with advanced electric drive technology and sensor systems – ideally complemented by our expertise in rolling and plain bearings, linear and direct drive technology, as well as our global spare parts business. For India, this convergence is foundational to competitiveness. We now have the capability to integrate mechanics, power electronics, software, and thermal management into comprehensive system solutions. This allows us to develop innovative technologies that open entirely new perspectives for our customers.

It is with immense pride that I share Schaeffler India's steadfast response with you all. It was characterised by operational stability, consistent margins, and disciplined cash management. This achievement reflects a robust structural design, a diversified portfolio, localisation efforts, strategic investments, and a culture firmly rooted in customer centricity and engineering excellence.



When localisation timelines were accelerated, our engineering and supplier teams delivered without compromising quality. This is enterprise resilience in practice – responsiveness without compromise.

Interpreting India's transition

India's mobility and industrial ecosystem is becoming more technology intensive. Electrification is expanding but remains calibrated. Internal combustion platforms continue to serve scale. Infrastructure-linked sectors are demanding higher reliability and performance predictability. Industrial customers increasingly measure value across the full lifecycle of assets. Our strategy reflects this dual-speed transition.

Automotive Technologies advanced localisation and innovation for both conventional and electrified powertrain, strengthening readiness for evolving architectures while serving current demands with precision.

Vehicle Lifetime Solutions expanded access to OE-grade reliability across workshops and fleet operators, where uptime directly influences economic output. Koovers continues to leverage digital platforms to provide enhanced service experiences and drive aftermarket growth.

Bearings & Industrial Solutions deepened participation in railways, renewable energy, raw materials, and automation sectors that underpin national productivity and long-cycle infrastructure development.

Our impact is measured in outcomes that are rarely visible yet essential – higher equipment uptime, safer mobility, and predictable performance for customers who cannot afford interruption. When localisation timelines were accelerated, our engineering and supplier teams delivered without compromising quality. This is enterprise resilience in practice – responsiveness without compromise.

The Motion Technology Company

At Schaeffler, we pursue a clear goal – to drive innovation globally as a leading Company in the field of motion technology and to redefine motion itself. This vision shapes everything we do and combines state-of-the-art technology in development and production with outstanding quality and a customer-centric partnership approach.

Our brand stands for pioneering technologies and manufacturing excellence that enable motion across highly diverse industries and markets – worldwide. Our product and service portfolio provides high-quality solutions for our customers’ specific needs and spans the entire spectrum of motion – from Guide and Transmit, to Control, Generate, Power, Drive, Energise and Sustain Motion. Our motion technology portfolio is addressed to meet the complexity of customer demands. With our positioning we focus on motion as the connecting element of our portfolio and offerings. And that is how we play a decisive role across all the aspects of motion technology in the markets we serve.

Building structural advantage

We remain firmly on course of our vision of becoming the leading motion technology Company. Its progress is driven by investing early, localising deeply, and steadfast commitment even when cycles are uncertain. Subscribing to our motto of ‘We Pioneer Motion’, with a clear focus of the Group on ten sectors with a diversified customer portfolio, twelve core manufacturing technologies, eight product families & the new Organisation structure of four product oriented divisions of E-mobility, Powertrain & Chassis, Bearings & Industrial Solutions & the Vehicle Lifetime Solutions is true testimony towards bringing a clear focused, holistic & Value enhancing structure with customers at the centre of everything we do. In 2025, we invested in manufacturing depth, process capability, and engineering infrastructure with conviction in capacity, technology, and capabilities. The commissioning of our fifth manufacturing facility at Shoolagiri, Tamil Nadu enhances proximity to customers, improves operational flexibility, and strengthens execution resilience. The milestone exemplifies our commitment to expanding our capacities and competencies in India, enabling us to better meet the evolving needs of our customers.

Additionally, we inaugurated the E-Axle production line at our plant in Talegaon, Maharashtra strategically positioning Schaeffler India to serve not only to the current local markets but also future needs as the transition towards E-mobility accelerates.

Equally important are the strategic investments made behind the scenes – in-advanced heat treatment, digital condition monitoring, E-mobility testing infrastructure, and supplier capability development. These choices position Schaeffler India at the centre of tomorrow’s mobility and industrial ecosystems.



Our unwavering commitment to disciplined execution, responsible operations, and strong governance was recognised by Schaeffler India’s inclusion in the S&P Global Sustainability Yearbook 2026.

On our shop floors and in our engineering centres, I meet professionals who see their work as contribution to efficiency, to sustainability, and to India’s industrial advancement. That mindset is a strategic asset for our organisation.

Partnerships as the architects of strength

Supported by the global strength and expertise of the Schaeffler Group, we harness world-class technology and innovation to create lasting value for our customers in India and beyond. Our customers’ trust and satisfaction mean everything to us. With a remarkable customer survey score of 8.60, we are deeply encouraged and motivated to continue delivering exceptional products and solutions that truly make a difference in their success.

The resilience of Schaeffler India lives in our teams – on shop floors, in engineering centres, across supplier networks, and at customer touchpoints. Their ability to solve problems with speed and collaborate across boundaries has been our greatest differentiator.

We invested in digital capabilities, advanced engineering skills, and leadership depth. Our culture of safety, inclusion, and learning continues to mature. Relationships with suppliers and channel partners strengthened through transparency and shared purpose of creating a value chain capable of absorbing change without losing momentum.

Responsibility as strategy

At Schaeffler India, sustainability has evolved from mere intent to measurable impact. Our portfolio of technologies – from highly efficient bearings to e-axes and predictive maintenance solutions—enables our customers to decarbonise their operations and enhance lifecycle performance. Within our own operations, we have made significant strides in advancing energy efficiency, water stewardship, waste reduction, and responsible sourcing.

Taking active responsibility is the cornerstone of every CSR action and initiative at Schaeffler India. We are committed to transforming economic success into responsible prosperity for all our stakeholders – business partners, employees, and society at large. Building on this foundation, I am pleased to share that our CSR initiatives under the HOPE program continue to receive accolades and make meaningful impact in the communities we serve.

Our employees are at the heart of our success. The recent employee engagement survey, with an impressive 92% participation rate, provided us with candid insights that reaffirm their dedication and highlight areas where we can further support their growth and well-being. We remain committed to listening, learning, and fostering an environment where every employee feels valued, empowered, and inspired to contribute their best.

Governance and sustainability are deeply embedded in our operational and decision-making processes. In response to increasing expectations regarding transparency, compliance, and ethical conduct, we have strengthened our risk management frameworks, integrated Environmental, Social, and Governance (ESG) considerations, and enhanced operational controls throughout the organisation. Our unwavering commitment to disciplined execution, responsible operations, and strong governance was recognised by Schaeffler India’s inclusion in the S&P Global Sustainability Yearbook 2026—an affirmation of the credibility and excellence of our sustainability performance.

Reflecting on 2025

In 2025, Schaeffler India strengthened its market position through strategic investments in manufacturing and technology. I am proud to share that we consistently delivered on performance during the year, broad based across divisions and sectors. This success was underpinned and came at the back of improved quality of earnings and better operating and financial metrics. Our focus on localisation, operational excellence, and sustainability enabled us to navigate supply chain realignments and shifting market demands effectively. The continued integration of digital innovation and ESG principles reinforced our commitment to responsible growth and industry leadership.

During the year, our Regional CEO, Mr. Dharmesh Arora, chose to pursue new opportunities outside the Schaeffler Group. I sincerely thank him for his exceptional guidance and impact, and wish him continued success in all his future endeavours. The year also marked Mr. Sameer Mathur, our Chief Operating Officer moving to regional role of Asia Pacific. I would like to extend my heartfelt gratitude for his invaluable contributions. We sincerely appreciate the dedication and expertise he brought to the team and wish him the very best in for his future. My heartfelt thanks to the entire leadership team for being pivotal in strengthening and enhancing the agility of our organisation.



Looking ahead

We at Schaeffler India are driven by this clear mandate – to contribute to India’s industrial transformation with global technology discipline and local execution strength. Our role is evident to be a steady partner in advancing motion that is reliable, efficient, and sustainable.

The Group’s focus on India is demonstrated through active engagement, Global Executive Board visits, strategic discussions with key government representatives, and the advancement of strategic initiatives tailored to address India’s unique market needs. Complementing this, the wholly owned subsidiaries of the Group, Global Capability Centre for IT as well as Schaeffler Digital Solutions (erstwhile Dhruva Automation) were successfully integrated. This significantly strengthens our digital services and solutions capabilities to drive innovation and operational excellence for customers locally and globally.

This year reinforced that resilience is created through design – portfolio balance, localisation, and disciplined execution. The premise of enterprise resilience captures how we create value, why customers rely on us for critical applications, why employees choose to build careers with us, and why Shareholders trust us across cycles. It enables us to absorb shocks without compromising standards, to adapt without losing focus, and to grow without taking undue risk.

I thank our customers for their confidence, our employees for their professional support and pride, our partners for their collaboration, and our Shareholders for their long-term trust in Schaeffler India. The future of motion will be defined by efficiency, electrification, intelligence, and responsibility and we are determined to shape it with responsibility, innovation, and purpose.

We remain on track to building The Motion Technology Company—built in India, dedicated to India, and serving the world.

Harsha Kadam



Hardevi Vazirani
Director – Finance and CFO

Delivering Value

Dear Stakeholders,

As we reflect on the year bygone, I am proud to share that Schaeffler India demonstrated robust financial performance amidst a dynamic economic landscape. 2025 was a year where momentum was continuously backed by financial discipline, proven processes, and systems. Our ability to stay focused on fundamentals ensured that resilience translated into measurable outcomes.

On the macro front, demand patterns were uneven, supply chains required proactive management, and cost pressures elevated. In a year marked by volatility and transition, Schaeffler India delivered what stakeholders value most – performance consistency, strong cash generation, and balance-sheet stability.

Engineered to deliver

I am happy to share that we sustained our double-digit growth momentum throughout the year. Revenue for the year was at ₹93,953 million, up 16.3% year-on-year, broad-based across our divisions and backed by our strong trajectory of business wins. I am proud to report that both our domestic and inter-Company exports business contributed to driving this sustained momentum.

The Automotive Technologies division registered a robust growth of 24.6% as compared to the previous year. Strategic customer collaborations and new business wins in E-Mobility and Powertrain Solutions, coupled with ongoing innovation, supported our growth. Additionally, the favorable impact of GST reforms boosted market demand, and we were well positioned to capitalise on this opportunity. The growth in the Vehicle and Lifetime Solutions division was driven by our sustained focus on portfolio expansion and deeper



2025 was a year where momentum was continuously backed by financial discipline, proven processes and systems. Our ability to stay focused on fundamentals ensured that resilience translated into measurable outcomes.

market penetration through range extension. Volume gains continued to build on the success of our recent product launches, resulting in a healthy growth of 12.2% compared to 2024. The Bearings & Industrial Solutions division registered a growth of 6.4% as compared to 2024, driven by traction and expansion in high potential sectors – railways, two wheelers, off roads and renewable energies. Building stronger relationships and broadening our distribution reach and service offerings further aided the growth.

This was also coupled with improvement in the quality of our earnings with earnings before interest, tax, depreciation and amortisation (EBITDA) at ₹18,376 million. EBITDA margins moved from 18.5% in CY 2024 to 19.6% in CY 2025, backed by volume gains and capital efficiency. Margins improved during the year, reflecting three structural levers that continue to shape our performance – localisation economics, disciplined cost management and operating leverage.

We generated ₹10,010 million in free cash flow through the year, while maintaining optimal working capital levels at 17.9% of sales and judicious capital expenditure. This outcome was supported by structural initiatives on planning efficiency and localisation-led supply chains. This discipline exemplifies our approach to enterprise resilience in action.

Structural levers of performance

As we consistently strive for improving value creation in India, it is important to understand the levers of performance. Localisation acts as a growth architecture that strengthens our footprint. By designing and qualifying products closer to customers, we shorten supply chains, improve working-capital turns, and combat volatility. This performance was driven by strengthening the structure built to deliver across cycles.

Capital efficiency remains a cornerstone of our strategy. Every investment is evaluated on its localisation impact, technology relevance, and asset turnover. During the year, we remained on track with our capital expenditure framework, making investments totaling ₹3,836 million. Our framework ensures that capital projects are rigorously evaluated, approved, and monitored to deliver planned benefits, aligned with long-term objectives and executed with financial prudence. The objective remains to expand and grow, while improving Return on Capital Employed (ROCE) over time.

Our portfolio structure also plays a critical role in stability. Automotive Technologies and Vehicle Lifetime Solutions drive growth through platform wins and localisation while the Bearings & Industrial Solutions division offers counter-cyclical stability, particularly in railways and industrial applications. Together, these businesses reduce reliance on any single end-market and smoothen earnings volatility.



We enter 2026 with a stronger financial foundation and clear priorities. I thank our customers, employees, suppliers, and Shareholders for their continued confidence as we create sustainable value as The Motion Technology Company.

Designed to perform

The year also reaffirmed that Schaeffler India is designed to perform. Sustainable performance emerges when growth initiatives are aligned with financial prudence and operational discipline. Revenue and margin progression and healthy cash flows moving in tandem demonstrate that performance is anchored in structure alongside momentum.

Capital stewardship remains central to long-term value creation. Strong cash generation enhanced the Company's capacity to invest in technology, capacity expansion, and capability development while maintaining balance sheet strength. Investment decisions continued to be evaluated judiciously, ensuring that growth is sustainable and consistent.

I am also happy to share that as a part of our non-financial reporting, we completed the Business Responsibility and Sustainability Report (BRSR) Core assurance process. While this was the first year the assurance was mandatory, we had proactively aligned our reporting with its requirements in prior years, reaffirming our commitment to transparency and sustainable business practices.

Governance and financial risk management

At Schaeffler India, our ability to deliver performance rests on strong controls and robust risk management. During the year, we enhanced frameworks around cybersecurity, counter party exposure, and treasury risk, while actively managing interest rate and currency volatility.

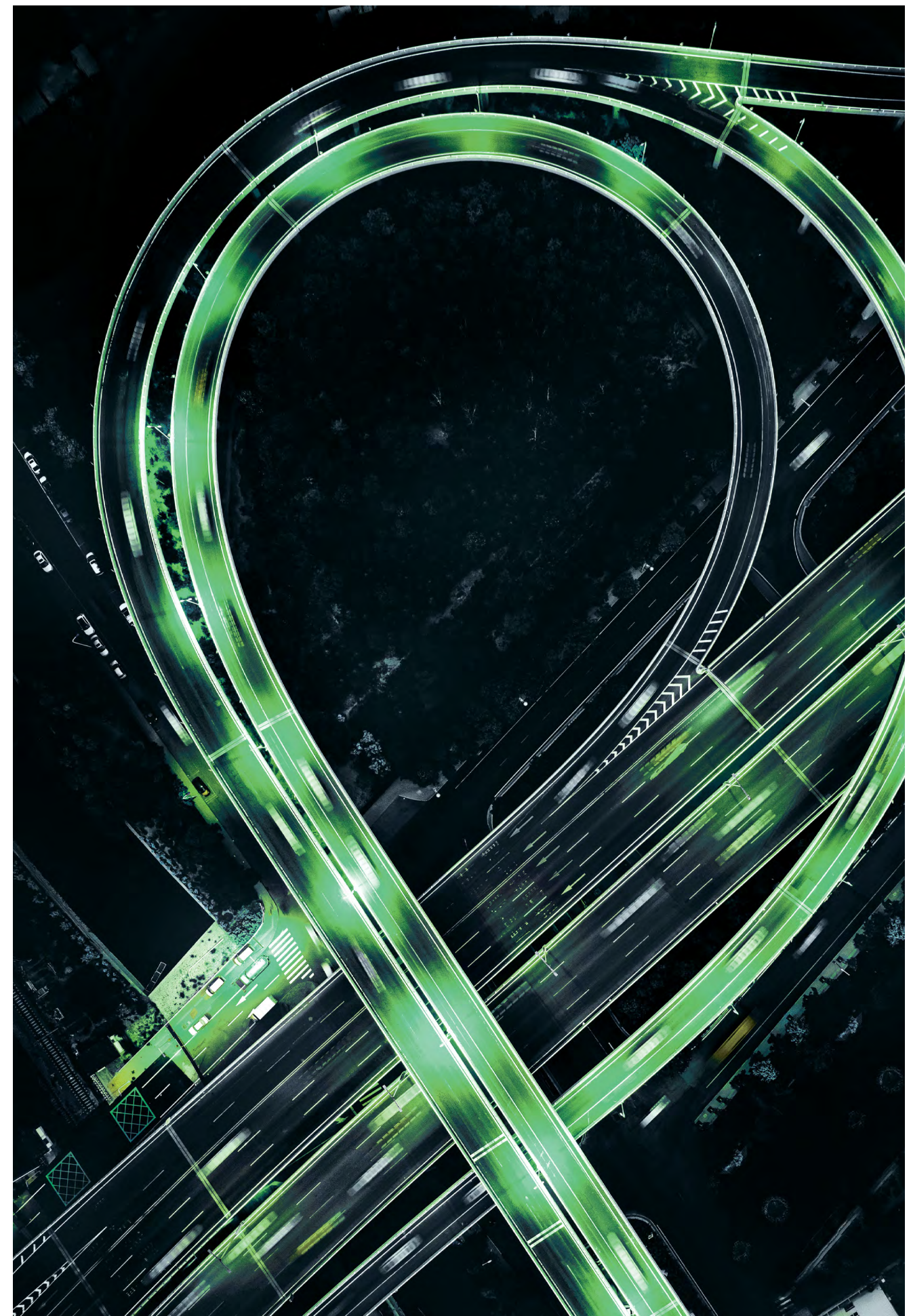
Equally important is our capital allocation philosophy, which remains balanced – funding growth, maintaining balance sheet strength, and returning cash to Shareholders. Dividend decisions are guided by sustainable earnings and cash flow visibility, alongside ROCE and free cash flow conversion. Continuing our transparent and consistent capital return approach, I am delighted to share that the Board of Directors has recommended a dividend of ₹35 per share (face value ₹2 per share), translating to a payout ratio of 46%. The recommendation is aligned with our dividend policy of distributing 30–50% of annual standalone PAT and remains subject to Shareholder approval.

Priorities for 2026

Looking ahead into 2026, the operating environment is expected to remain mixed. Our priorities are clear – we continue to focus on protecting the quality of our earnings by localising operations and improving our revenue mix. We aim to sustain cash conversion at current levels or better. Additionally, we remain focused on building a future ready portfolio by investing prudently in innovation and technology, sustainability and digitalisation. Finally, we are committed to maintaining balance-sheet strength to support both growth and dividends.

We enter 2026 with a stronger financial foundation and clear priorities. I thank our customers, employees, suppliers, and Shareholders for their continued confidence as we create sustainable value as The Motion Technology Company.

Hardevi Vazirani



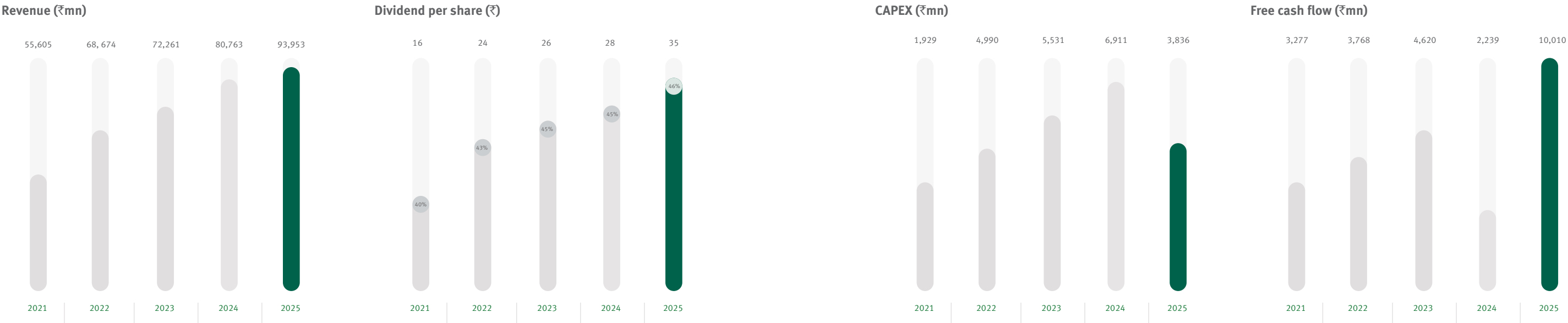
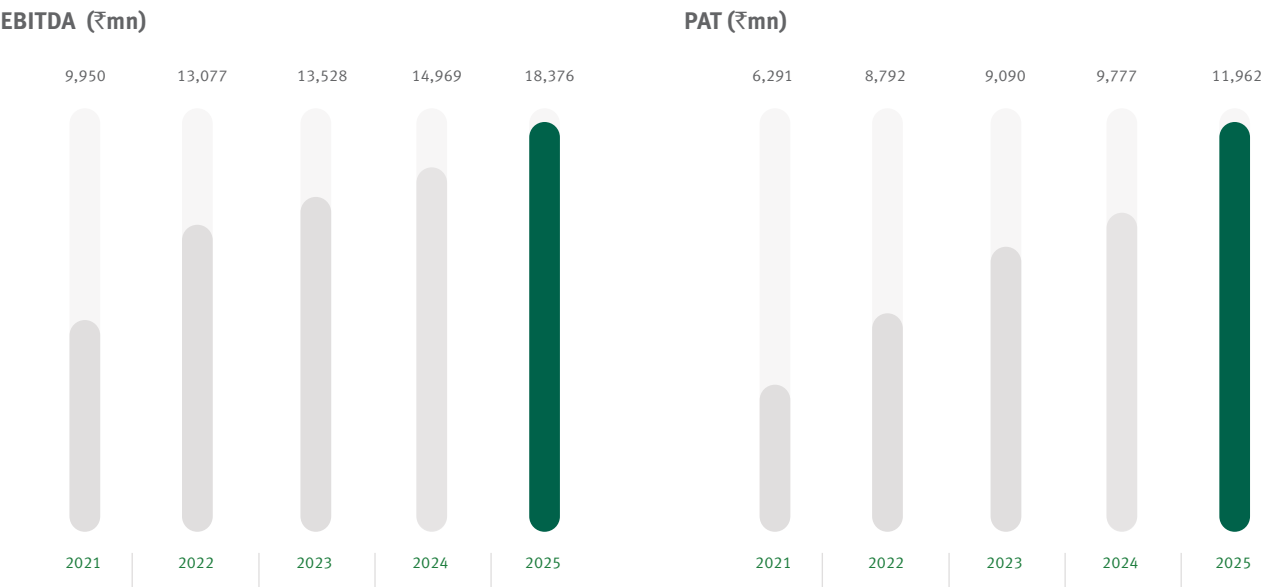
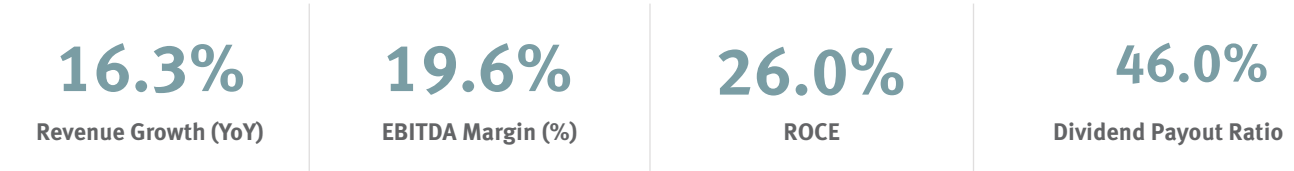
Commitment to Investors

Maximising Shareholder returns

We are steadfast in our commitment to delivering sustainable and disciplined returns to our Shareholders. Our capital allocation strategy carefully balances strategic growth investments with financial prudence, ensuring long-term value creation that is both resilient and responsible.

Disciplined financial performance

2025 reflects our continued focus on profitable growth, enhanced earnings quality and strong cash generation. Revenue progressed, supported by a sustained trajectory of business wins, and was complemented by disciplined cost management and ongoing operational efficiency measures. Margin resilience and cash flow strength remain central to our long-term Shareholder value creation. We evaluate financial performance not only through top-line growth, but also through our ability to deliver consistent returns across business cycles.



Defining Identity

Multiplying brand value

“

Innovation thrives in strong ecosystems. By engaging with industry platforms, customers, and partners. Schaeffler India continues to expand its influence as a trusted motion technology partner, enabling smarter mobility, resilient manufacturing, and sustainable industrial growth.

”

Harsha Kadam

Strengthening industry engagement, partner collaboration and market visibility

Schaeffler India continues to strengthen its leadership as The Motion Technology Company by actively engaging with industry platforms, customers and partners.

Through strategic participation in event exhibitions, partner conferences, and integrated digital campaigns, the Company showcases its innovation capabilities while strengthening long-term partnerships and amplifying its brand presence across key markets.

These initiatives enable Schaeffler to demonstrate its advanced motion technologies, deepen stakeholder engagement, and contribute to India’s evolving industrial and mobility landscape.

300+

Distribution partners connected through ecosystem platforms

20.46 mn

Digital impressions generated through targeted campaigns

1.5 mn

Customer interactions through digital engagement initiatives

Note: Customer interactions through digital engagement initiatives are on approximate basis.



Defining Identity

Bharat Mobility Global Expo 2025

We presented our latest innovations in electrification, sustainability, and advanced mobility and engaged with OEMs, policymakers, and technology leaders across our ecosystem.

Event footfall
~75,000



International Machine Tool and Manufacturing Technology Exhibition

We presented cutting-edge solutions for machine tools, robotics, and industrial automation applications.

Digital and offline impressions
39.63 mn



Indian National Supercross Championship 2025

Participated in high energy supercross racing event, featuring 13 adrenaline charged races, including categories for young riders, and delivered an electrifying showcase of speed, skill, and endurance.

Total viewers
~50,000



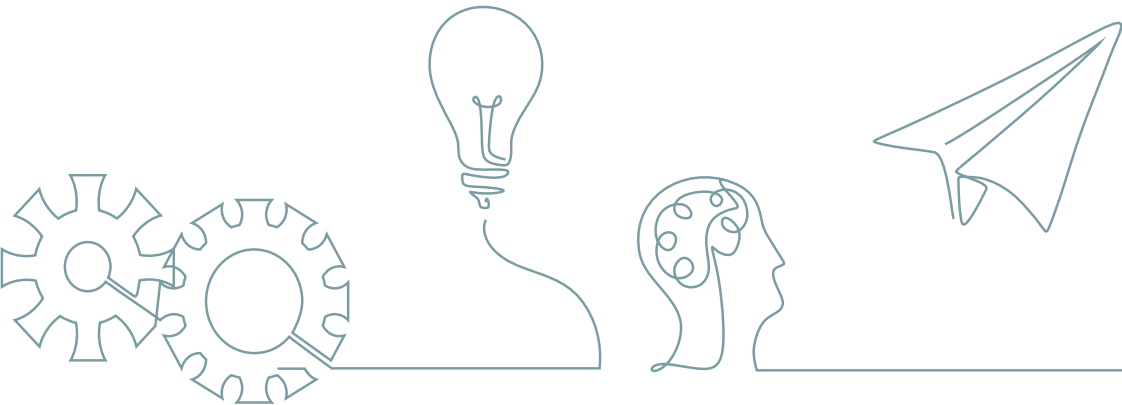
International Railway Equipment Exhibition

Participated in the International Railway Equipment Exhibition (IREE) 2025, showcasing advanced bearing solutions and predictive maintenance technologies for railway infrastructure.

Digital Campaign- Lubricants and Wipers

Launched a targeted digital campaign for the Wipers & Lubricants brand across Google Display Network and META, boosting visibility, strengthening brand recall, and reinforcing Schaeffler’s position as a trusted solutions provider.

Total impressions
~20.46 mn
Total reach
~14.78 mn



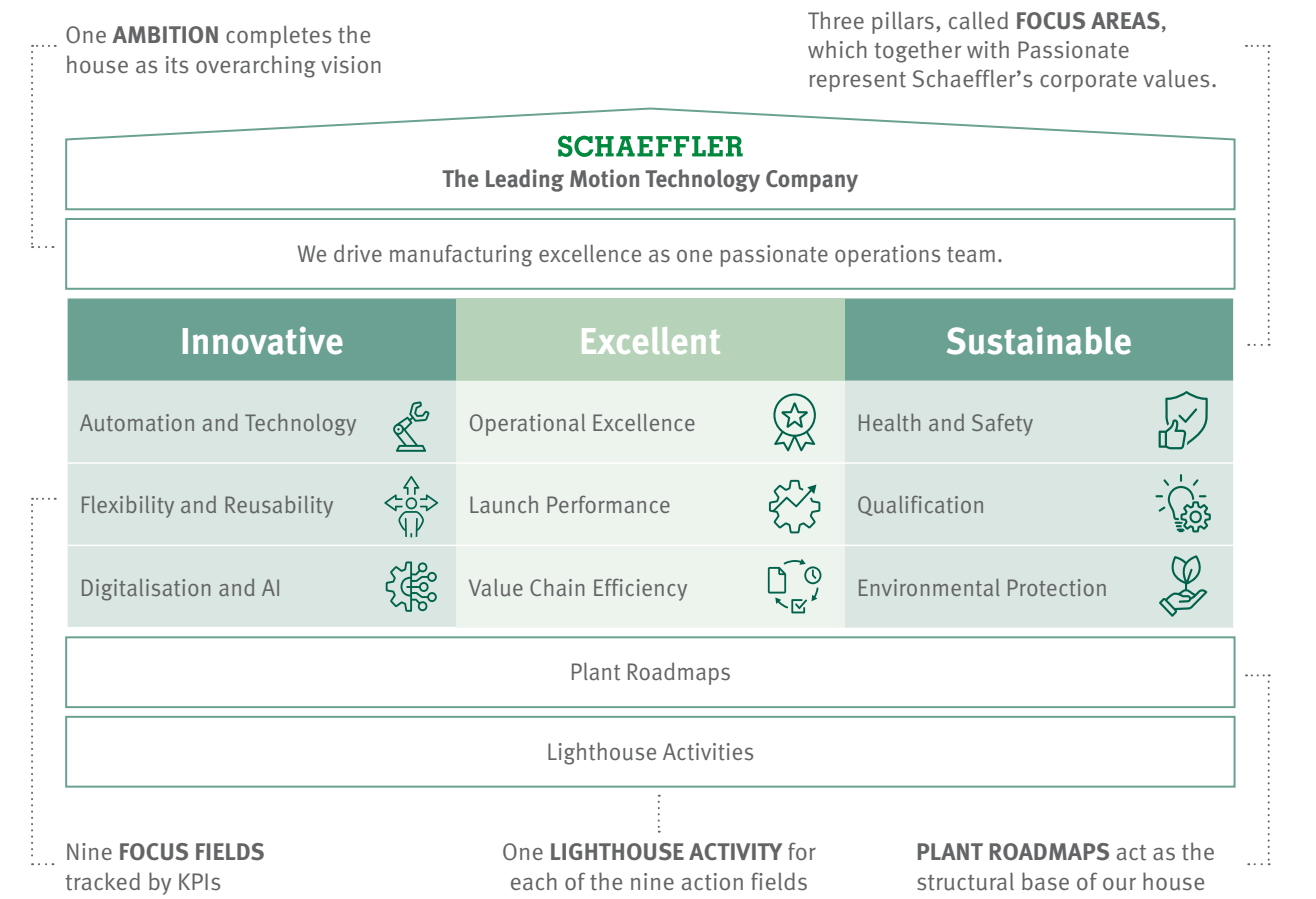


Our localisation
strategy is capability-
led: stronger in-house
development, faster
validation cycles, and
accelerated time-to-
market for customers.

Strategy

Operations & Strategic Priorities	45
Research and Development	49

Together for high performance



The Focus Fields define the framework and orientation of activities to improve the Schaeffler Production System within the Operations Strategy. Each Focus Field has at least one specific characteristic value, some of which are defined as KPIs, to measure its performance and improvement.

INNOVATIVE

Smart use of data, digitalisation and AI, flexible production concepts, and new technologies.

EXCELLENT

Achieving highest levels of efficiency, quality, and performance in our processes.

SUSTAINABLE

Taking care of our employees and the environment.

Strategic priorities

The Operations Strategy House provides direction to successfully navigate transformation. It helps leverage the potential of numerous plants through best practice sharing, thereby generating value for the entire Schaeffler Group. With this framework as our foundation, we have identified key areas of strategic focus across our plants in India. We aim to strengthen our ability to adapt to market dynamics, deliver long-term value, and remain committed to innovation and stakeholder trust.

Investment for growth

Disciplined capital, future readiness

Technology and innovation

Scalable, defensible solutions

Localisation

Supply resilience, cost predictability

Talent development

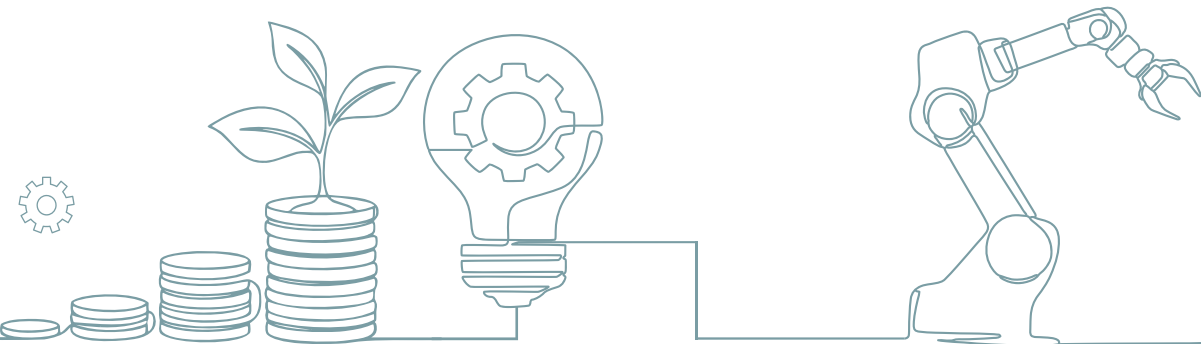
Capability depth, leadership continuity

Customer centricity

Reliability, lifecycle value

Sustainability

Responsible operations, reduced risk



Operations & Strategic Priorities

Our state of the art manufacturing locations



Maneja (established in 1962)



Hosur (established in 1977)



Talegaon (established in 2001)



Savli (established in 2012)



Shoolagiri (established in 2025)



78%
Localisation



4.1%
Capex as % to sales



₹1,018 mn
R&D spend



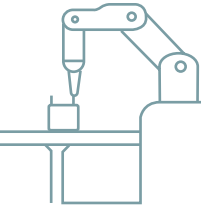
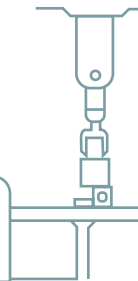
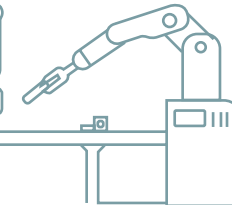
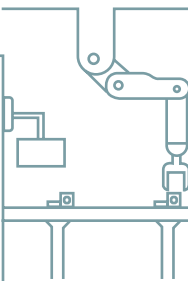
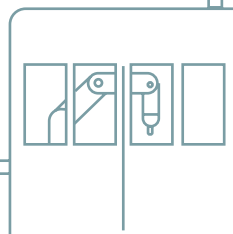
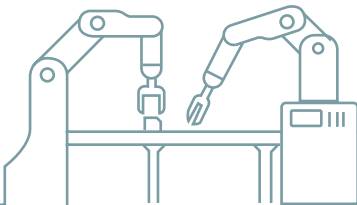
2025 was a year that tested operational discipline as much as it reaffirmed its value. Schaeffler India's operations continued to demonstrate stability, responsiveness, and consistency amid a complex environment. Our plants performed with discipline, supply chains adapted with speed, and customer commitments were met without compromise. These outcomes reflect the strength of our operating systems, localisation depth, and the accountability of our teams embedded at every level of execution.

Operational excellence at Schaeffler India is the outcome of structured processes through process rigour, safety-first culture, and continuous improvement on the shop floor and across the value chain. During the year, we enhanced capacity, automation, efficiency, and supplier integration to drive sustained long-term competitiveness. Our focus remains clear: Build operations that are resilient by design, and capable of absorbing variability while sustaining performance across cycles.

On a personal note, this year has been deeply affirming for me. Working closely with teams across plants and functions has reinforced my admiration for the culture at Schaeffler India, one grounded in accountability, collaboration, and pride in engineering excellence. The professionalism, integrity, and pride I see on the shop floor and in our planning rooms are foundational to how this organisation operates.

I remain confident and optimistic about Schaeffler India's growth trajectory. With strong fundamentals, disciplined execution, capable teams, and a clear strategic direction, our operations are well-positioned to support the Company's vision of being the leading Motion Technology Company – reliably, responsibly, and at scale.

Sameer Mathur
Chief Operating Officer



Research and Development

Innovating with purpose

During 2025, Schaeffler India’s R&D strategy powerfully drove structural competitiveness by advancing Motion Technology capabilities, boosting drivetrain durability, and fortifying long-term enterprise resilience.

As mobility and industrial systems undergo structural transformation, electrification, tighter efficiency standards, and increasing system integration are reshaping product architectures. In this environment, competitive advantage depends on the ability to engineer locally relevant solutions aligned with global platforms and to convert innovation into defensible capability.

Evolving vehicle architectures and regulatory standards are increasing the complexity of torque transfer, vibration control, and packaging optimisation. These shifts demand deeper system-level engineering, simulation-led development, and vehicle validation to deliver scalable, commercially relevant solutions.

R&D strategy was anchored in three priorities



Technology relevance



Strengthening localisation



Intellectual capital

Engineering for a changing mobility landscape

We aim to be at the forefront of meeting the rapidly evolving customer needs across e-mobility systems and components, advanced bearing technologies, vehicle lifetime solutions, and industrial automation and precision engineering.

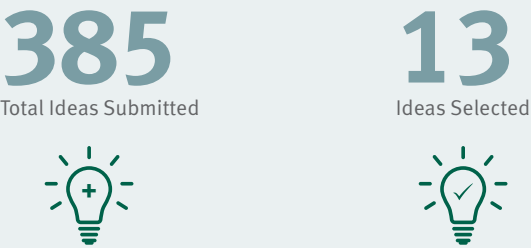
As EV adoption accelerates and regulations tighten with a sharper focus on efficiency, the growing demand for lifecycle services is reshaping industry expectations. This environment requires faster development cycles and closer integration between engineering and market teams to deliver relevant solutions at scale. Our R&D centres have strengthened simulation, vehicle validation capabilities, reducing lead times while maintaining global performance standards. With this we have successfully shortened lead times without compromising on global performance standards.

Avishkaar: driving a culture of innovation

The Innovation day campaign at Schaeffler India celebrated creativity, bold ideas, and collaboration. It acts as a dedicated space for everyone to share, experiment, and showcase innovations that drive impact for our business, customers, and communities. This event fosters a culture where every voice is valued and every idea counts.

It serves as the foundation to encourages employees to present engineering ideas, process improvements, and technology concepts aligned to future mobility and industrial needs.

The platform drives systematic ideation forums across business units, structured invention disclosure mechanisms, cross-functional technical review boards, and early-stage commercial relevance assessment.



From idea to global program

One of the major achievements during the year was the selection of Schaeffler India’s next generation product for a global automotive program. Schaeffler India will lead by being the first to industrialise and bring this concept into mass production. This solution addresses engine and transmission misalignments, improves driveline durability and reduces noise and vibration. The new design is slimmer and easier to install, uses a spring mechanism to allow controlled movement, and is more durable. It is also simpler, more cost efficient, and optimised to handle moderate misalignments with consistent performance.

It highlights our proven capability to deliver cutting-edge, scalable solutions that meet the demands of global platforms—driving innovation and excellence for our customers worldwide.

Engineering during regulatory transition

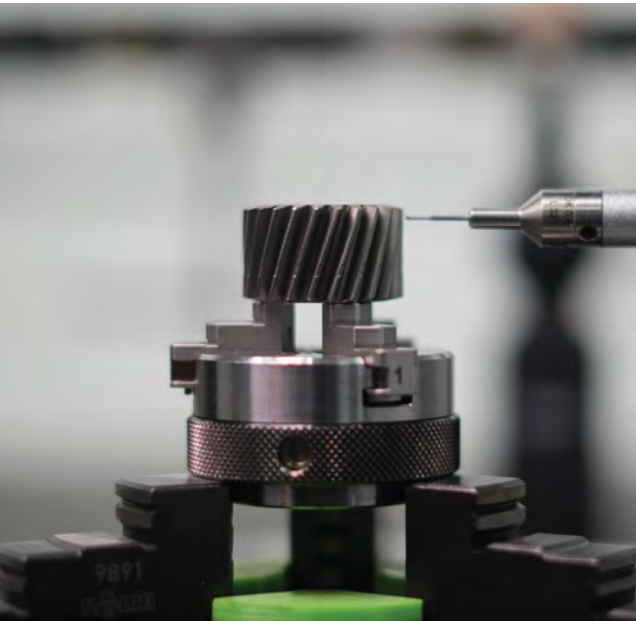
The shift to the new emission norms in the tractor segment changed how engines behaved, leading to higher risks of torsional vibration and rattle noise. We addressed these challenges through system-level modelling and driveline optimisation.

- Redesigned systems for a leading tractor platform helping reduce fluctuations by about 60%. This eliminated rattling noises at the vehicle level, making the overall performance more stable and reliable.
- Refined the system to reduce friction effects using simulation-led development for high-power tractor segment for a leading OEM.
- Our analysis revealed that lower flywheel inertia was causing unwanted vibrations. By fine-tuning the engine speed, increasing the flywheel weight, and boosting the drivetrain’s inertia, we successfully reduced these vibrations to below the engine’s natural levels—resulting in smoother and more reliable performance.

These collaborations highlight the growing role of increasing system-level engineering and simulation in driveline optimisation, reinforcing our position as a trusted technology partner.

Validation as risk mitigation

Robust validation is key to ensuring performance credibility. During 2025, Schaeffler India successfully conducted gradient launch validation for a major project, completing 143 launches on an 18% incline—surpassing the required 100—with zero clutch slippage. This achievement marks the first time this rigorous validation method has been executed in India by our Vehicle Engineering team, underscoring our unwavering commitment to lifecycle reliability and building lasting customer trust.



Output to intellectual capital

The growing conversion of disclosures into formal filings underscores the maturity of our IP governance processes. Engineering outcomes are increasingly assessed not only for performance and customer relevance, but also for defensibility.



Mobility and industrial systems are being fundamentally re-architected. Electrification, efficiency mandates, and digital convergence are raising engineering precision and compressing development cycles. In this environment, technological depth and localisation capabilities are critical.

At Schaeffler India, we are strengthening local design, validation and application engineering while remaining fully integrated with our global platforms. We inculcate a culture of innovation where every idea counts and makes a real difference to our business.

Our objective is to establish Schaeffler India as a meaningful contributor in advancing motion technology by delivering locally engineered, globally aligned, and defensible solutions.

Madhurisha Vippatoori
Chief Technology Officer



We build long-term partnerships by collaborating closely with customers and ecosystem players to solve application challenges and create shared value.

Business Review

Automotive Technologies

53

Vehicle Lifetime Solutions

57

Bearings & Industrial Solutions

61

Business Review

Automotive Technologies

Reliable and sustainable technologies for every drive concept

Automotive Technologies Division addresses the full spectrum of evolving drive concepts from internal combustion engines to hybrid and battery-electric platforms. Through advanced solutions across e-mobility, powertrain, and chassis systems, we support customers in improving efficiency, reducing emissions, and enhancing vehicle performance.



Hybrid Modules



Thermal Management Solutions



Clutch Systems



Engine & Transmission Systems



Powertrain Solutions



Chassis Systems

Mobility transformation is advancing at varied speeds—electrification grows, hybrids endure, and internal combustion remains vital. With regional regulatory differences and customer economics at play, true resilience stems not from technology substitution but from a broad portfolio and deep engineering expertise.

The Automotive Technologies Division encompasses both E-Mobility and Powertrain & Chassis sectors.

Sustainability and system solutions

- The E-mobility division offers solutions for all types of electrified drive systems – from individual components to intelligent operating strategies, and complete drive systems. Our system solutions and components are designed to make mobility cleaner, more efficient, and more affordable.

Innovation and system intelligence

- The Powertrain & Chassis division develops and manufactures pioneering components and system solutions for highly efficient powertrains and intelligent chassis systems, serving 2-wheelers, passenger cars, agricultural tractors, construction equipments and commercial vehicles.

This cross-architecture capability allows the us to support customers through transition rather than react to it. The result is structural competitiveness.

Today's strength



Powertrain and Chassis deliver operational scale, manufacturing depth and customer continuity.

Tomorrow's growth



E-Mobility builds scalable electrification capability aligned to India's EV roadmap.

Year in review

- The Automotive Technologies sector faces ongoing challenges from rare earth materials controls, tariff-driven demand uncertainties, and persistent semiconductor shortages impacting supply chains and costs. However, recent GST reforms and record festive sales have boosted momentum, reflecting robust consumer demand and a recovering market.
- Against this landscape, the Automotive Technologies Division delivered resilient performance driven by a diversified product portfolio, strong customer

partnerships, and focused execution. GST reforms have stimulated demand growth in passenger vehicles, MHCVs, and tractors, thereby driving revenue increases.



₹31,372
Million sales in 2025



33.4%
Percentage of total sales



8.30
Schaeffler India Loyalty Index

Strengthening innovation and product development

- 2025 also marked a year where we strengthened our R&D capabilities through the integration of advanced testing, validation, design, and prototyping functions. This enabled more comprehensive development and faster innovation cycles, and better customer alignment.
- During the year, we also introduced advanced dampers for tractors and valve train systems for passenger vehicles that enhance engine performance, fuel efficiency, and regulatory compliance, reinforcing our commitment to innovation in the agricultural sector.

Depth of localisation

- For us, localisation means strategic partnerships with customers and suppliers to drive innovation, quality, and cost efficiency. This year, we advanced true localisation by partnering with customers and suppliers early in design and engineering, co-creating products tailored to local market needs. We expanded our localised production capabilities for hybrid components and electric drives, aligning with India's multi-path electrification journey.

Business wins



Nomination by a global original equipment manufacturer of transmission components to meet both global and domestic requirements, reinforcing Schaeffler India's role as a strategic global hub for ICE powertrain components.



Business wins for engine cam phasing systems to support a key customer's ICE powertrain strategy focused on regulatory compliance and fuel efficiency improvements.



Capitalised on emerging CAFÉ norms by delivering tailored solutions that help customers comply with upcoming emission regulations across PV and CV segments.



Pioneering India E-mobility as Systems Solutions Partner

- Developing electrification system solutions demands deep engineering expertise and close customer collaboration. Our latest electrification program showcases this strength. Our tailored e-axle, designed for Indian driving conditions, integrates motor, transmission, and power electronics into a modular coaxial drive. The result - a powerful, reliable, and seamless propulsion experience for the customer enabling :
- Customized solution packaged within vehicle architecture
- Enhanced drive train efficiency and powerful performance
- Reliable and robust driving experience

The program demonstrates our core strengths:

- Co-development driving customer delight** – Partnering with customers to co-develop innovative solutions with agility and reliability.
- Evolution as a solution provider** – Demonstrating comprehensive system competence to deliver complete, customer-centric integrated solutions
- Supply chain ecosystem enablement** - Leveraging Phase 1 Pune localization to accelerate ecosystem development and drive scalable, sustainable localisation.



Business Review

Key milestones



Bharat Mobility Global Expo 2025

Showcased the latest innovations in electrification, sustainability, and advanced mobility technologies.



Inauguration of fifth manufacturing facility at Shoolagiri, Tamil Nadu

Dedicated to producing powertrain and chassis components, this hub supports the growth of conventional and electrified technologies for the Indian market.



Localised product development

Developed a comprehensive portfolio of advanced dampers designed to enhance performance and durability for tractors and global customers across diverse applications.



Inauguration of e-axle production line at Talegaon, Pune

Inaugurated the electric e-axle production line at Pune, marking a strategic shift from component manufacturing to comprehensive EV drive system solutions.



Ongoing Customer Collaboration

Organised five technology days showcasing our latest innovations, strengthening engagement with customers and stakeholders.







“Our responsibility is to sustain mechanical excellence across all automotive segments while enabling seamless integration into electrified platforms.

Powertrain and Chassis provide structural stability within Automotive Technologies through manufacturing precision, localisation strength and disciplined execution. In an environment of supply volatility and evolving regulatory standards, reliability, engineering, and localisation depth become competitive differentiators. We work closely with our partners and customers to enhance efficiency, durability, and motion control while ensuring compatibility with hybrid and electric architectures.

Enterprise resilience, in practical terms, is built through a balanced portfolio. Powertrain and Chassis anchor current performance while strengthening the technical foundation for electrification.

Viswanathan Sambasivam
Powertrain & Chassis

”



“Electrification is transforming propulsion architectures worldwide yet India’s journey remains complex and non-linear. Our strategy embraces this reality by developing scalable electrification systems & components, enabling customers to transition according to their preferred vehicle architecture—from 48-volt hybrids to full hybrids and range extenders to fully battery-electric vehicles.

The start of e-axle production marks a pivotal milestone, reflecting our progress in system-level integration, seamlessly combining mechanical precision, advanced power electronics and customised software into scalable, modular e-drive platforms. With strong R&D capabilities and deep customer collaboration, we focus on delivering engineering excellence and flawless execution. Our broad portfolio strengthened by a customer-centric approach, will shape our contribution to India’s electric mobility landscape.

Omkar Kulkarni
E-Mobility

”

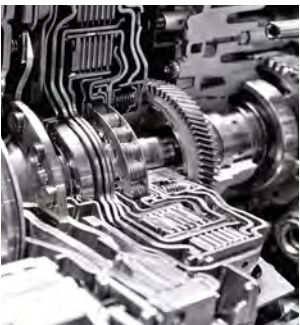
A line-art illustration of a truck with a long trailer. To the left of the truck is a large gear with a leaf inside it, and several smaller gears are scattered around. To the right of the truck is a stylized city skyline with several buildings of varying heights.

Business Review

Vehicle Lifetime Solutions

Leading provider of vehicle repair solutions and services

The Vehicle Lifetime Solutions Division is responsible for the global vehicle maintenance and repair market and supplies components and comprehensive repair solutions for passenger cars, light and heavy commercial vehicles and tractors. With a comprehensive understanding of the system and extensive service offerings, the division also supports workshops with complex repairs.



Drive Solutions



Engine Solutions



Chassis Solutions



Repair Shop Services

Year in review

Opportunity with operational complexity

- India's automotive aftermarket remains structurally attractive. Growth continues to be supported by a large and ageing vehicle parc, high vehicle utilisation across segments, strong demand for cost-efficient maintenance solutions and increasing formalisation of distribution channels.
- During 2025, the operating environment remained complex - capacity constraints impacted component availability, competitive intensity remained elevated, and pressure increased on pricing, supply reliability, and brand credibility.
- On this backdrop, performance was shaped by allocation discipline, portfolio depth and breadth, and operational resilience.



Disciplined growth through customer proximity and portfolio depth

- 2025 was a year of disciplined execution and structural strengthening for the Vehicle Lifetime Solutions Division in India.
- We advanced initiatives in safety-relevant and uptime-critical categories including relaunching products, introducing two-wheeler lubricants, expanding core product portfolio across passenger car, tractor and truck applications. Throughout the year, we upheld our commitment to actively engage and empower our distributors through targeted initiatives, fostering their capabilities and reinforcing our partnerships to drive mutual success.
- Our focus remained on operational excellence and maintaining supply reliability. Enhancing capacities to meet growing demand from the aftermarket, it remains as one of the critical area of management attention.

Koovers

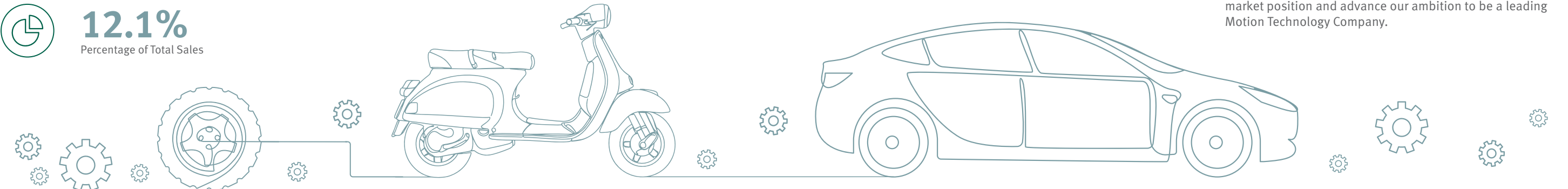
- The acquisition of KOOVERS has boosted our presence in the Indian automotive aftermarket. We are committed to offering tailored after-sales services and a wide range of spares delivered promptly and affordably. Our focus is on expanding KOOVERS' reach and market penetration by setting up dark stores and hubs nationwide for faster customer access.



Strategy guided by interlinked priorities



Anchored in customer proximity, disciplined execution and portfolio expansion, we are well-positioned to strengthen our market position and advance our ambition to be a leading Motion Technology Company.



Business Review

Indian National Supercross Championship 2025

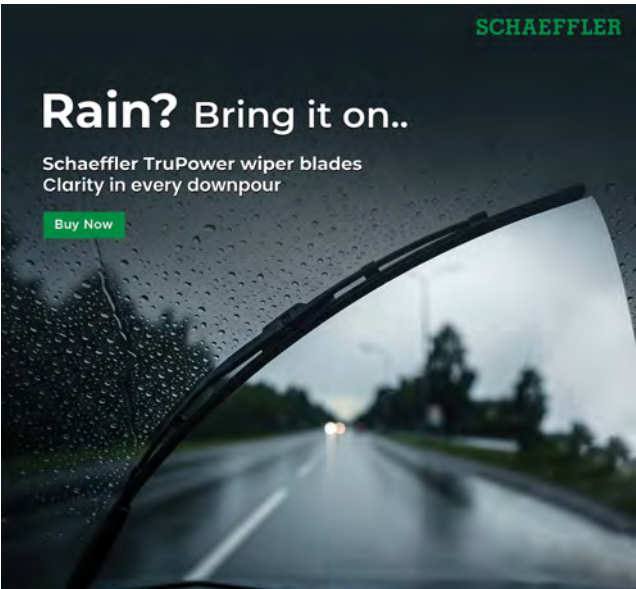


Schaeffler India participated in the supercross racing event, organised by MRF in partnership with the Godspeed Racing Team under the National Supercross Championship. Our participation highlighted the ethos of a Motion Technology Company— where grit, performance, and innovation converge on the racetrack. By engaging with motorsport enthusiasts and industry stakeholders, the campaign strengthened our brand presence, reinforced our commitment to mobility solutions, and enhanced customer confidence.



Bharat Mobility Global Expo 2025

The Bharat Mobility campaign showcased OEM-grade solutions and future-ready technologies. The exhibition attracted more than 75,000 visitors. Schaeffler’s presence highlighted its commitment to enabling the next generation of mobility solutions through advanced motion technologies.



Digital Campaigns - Lubricants and Wipers

This digital campaign promoted our Wipers and Lubricants brand across leading programmatic platforms. This initiative not only expanded our digital footprint but also contributed to multiplying brand value by nurturing long-term partnerships and credibility.

Customer proximity and execution excellence

As the Indian aftermarket evolves, differentiation is increasingly defined by proximity to the customer, ease of access, and the ability to translate insight into action. Beyond portfolio strength and distribution reach, customers now value convenience, responsiveness, and consistent engagement across touchpoints.

We sharpened our focus on execution-led customer engagement, moving from intent to implementation. A tangible example of this approach was the commissioning of Schaeffler India’s first-ever product vending machine for aftermarket lubricants at the Maneja plant.

The vending solution enables on-demand access to premium TruPower lubricants for passenger cars and two-wheelers. While modest in scale, the initiative represents a meaningful step in improving accessibility and enhancing customer experience at the last mile. It reflects VLS’ commitment to making its products easier to access, while strengthening brand presence at points of interaction.

Equally important, the initiative demonstrated strong cross-functional collaboration across plant operations, commercial teams, and distribution partners. Such execution-led interventions reinforce distributor relationships, deepen customer trust, and create scalable models for engagement across the aftermarket ecosystem.

For Vehicle Lifetime Solutions, customer belief is built not through positioning alone, but through consistent execution. Practical innovations that improve convenience and experience play a critical role in strengthening lifecycle engagement and sustaining demand.

This execution focus, combined with portfolio depth and disciplined channel management, supported strong financial and operational performance during the year.



India continues to be a strategically important market an increasing and diverse vehicle parc, demanding operating conditions, and focus on total cost of ownership - creating sustained aftermarket opportunity.

India’s vehicle parc continues to expand structurally across passenger vehicles, tractors, and commercial vehicles. At the same time, the aftermarket ecosystem is formalising, digital channels are gaining relevance, and service-level expectations are rising. Supply interdependencies between original equipment manufacturers and aftermarket channels have become more visible, making allocation discipline and operational reliability critical success factors. In this environment, resilience is built through operating clarity.

Our focus during the year was not merely on capturing demand, but on strengthening the foundations of the business model: portfolio coherence, segment depth, and supply continuity.

Operational resilience remained central throughout the year. We also sharpened focus on safety-relevant and uptime-critical categories like Steering and Suspension, where reliability and engineering credibility are decisive in a cost-driven market.

Looking ahead, India remains a structurally attractive growth market. To capitalise on this potential, our goal is sustainable value creation by building a balanced, resilient, and technically differentiated aftermarket platform in India, aligned with Schaeffler’s ambition to lead as the Motion Technology Company.

Sharad Bhatia
Vehicle Lifetime Solutions

Business Review

Bearings and Industrial Solutions

We keep industries running

The Bearings & Industrial Division delivers a comprehensive portfolio of rotary and linear solutions serving a broad customer base in the four market clusters: Automotive, Energy, Industrial, and Transportation. With cutting-edge technologies and solutions tailored to our customers’ needs, the division empowers its partners to innovate and lead within their markets –to keep the world in motion.



Solutions for Renewable Energies



Bearing Solutions for the Automotive Sector



High-Precision Bearings for Engines



Maintenance and Service Solutions

Year in review

Powering the India growth story with engineering depth and capital discipline

- India’s industrial expansion in 2025 was driven by public infrastructure spending, private reinvestment, export realignment, localisation, defence indigenisation, and railway modernisation, marking a shift toward reliability-centric operations.
- Within this landscape, the Bearings & Industrial Solutions Division positioned itself strategically at the intersection of infrastructure, precision engineering, digital monitoring, and localisation. The division’s performance during CY2025 reflects strengthening of structural competitive moats.



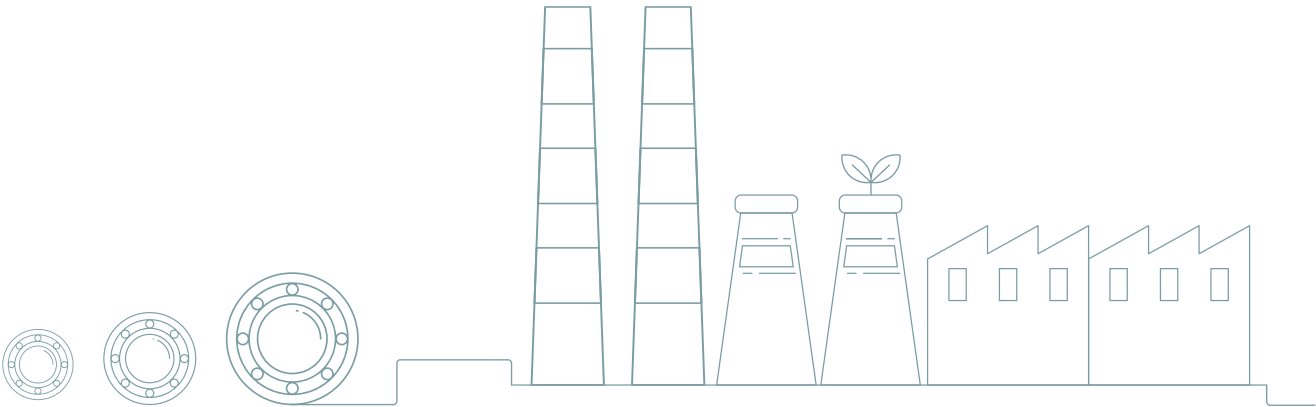
₹36,855
Million sales in 2025



39.2%
Percentage of Total Sales



7.93
Schaeffler India Loyalty Index



- Growth was supported by strategic penetration across renewable energy, railways, power transmission, construction machinery, raw materials and industrial distribution sectors. Beyond volumes, growth was driven by market share acquisition, key account focus, balanced product mix and geographical expansion led by white space penetration.
- In a market where industrial customers are increasingly evaluating suppliers not merely on price but on engineering depth, uptime performance, localisation capability, and digital readiness, we strengthened our position as a technology partner capable of serving both current demand and future industrial complexity.

Industrial India: Capital Cycles, Infrastructure Momentum, and Reliability Economics

- During 2025, India’s infrastructure and industrial growth was fuelled by government capex in rail, freight, renewables, cement, steel, and defence, alongside private investment in food, pharma, and automation. With this, the demand environment becomes increasingly application-driven rather than commoditised. Bearings have now moved up in the value chain from being a commodity product to a highly engineered and customised solution-driven offering.

Business wins

Strategic penetration across industrial verticals

2025 saw a series of significant business wins across diverse sectors, reflecting not only competitive positioning but customer trust in engineering capability.



High-value projects across rail, wind, and marine applications, showcasing its strength in reliability-critical solutions backed by quality, technical depth, and long-term engagement.



Critical process industry orders across critical applications in the heavy industries including roller press and vertical roller mills, pulverising mills and air preheaters, rolling mills highlighting its expertise in large-size bearings built on advanced material science and heat treatment and on time delivery.

From component supplier to a reliability partner

Executed the largest single-location OPTIME deployment in the country, with 1,677 sensors installed across critical assets of one of the largest Cement plant in India. Rotating machinery assets monitored include fans, motors, conveyors, and gearboxes. Besides on-site support, the complete condition monitoring services were backed up by 24x7 remote condition monitoring center.

This enabled our customer to increase equipment availability and maximise productivity, thereby creating long term value.



Vibrating screen monitoring

A leading sustainable steel producer in India experienced recurring bearing failures in vibrating screen applications due to erratic loading cycles and harsh environment.

We deployed OPTIME condition monitoring solution that helped capturing real-time vibration signals from the bearing locations enabling the customer to predict anomalies in advance, preventing unplanned shutdowns.

This highlights the shift from reactive to predictive maintenance – empowering our customer to achieve greater efficiency and operational excellence.



Business Review

Key milestones



Thermax Strategic Collaboration

Collaboration with Thermax EDGE- Live, an AI-enabled energy analytics platform, elevating us from hardware to performance analytics, thereby driving operational efficiency and sustainability value.



Localised product development

- Multi-row track roller bearing for sinter and pellet plant application.
- Cylindrical Roller Unit (CRU) with Polymer cage for wheelset application in Locomotives.
- Made-in-India cast steel plummer block housings for mining and processing applications.
- Enhanced portfolio of India-made Spherical Roller Bearings for long product mills and mining.



Digitalisation in manufacturing

Advanced data integration and traceability to improve manufacturing efficiency and strengthen compliance readiness.



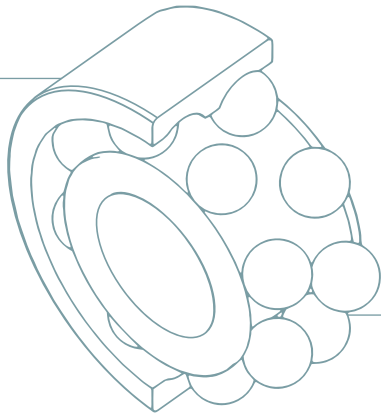
Strengthening manufacturing competence: Heat treatment capability at Maneja plant

Commissioned state-of-the-art heat treatment facility that handles case carburising and carbo-nitriding requirements for Railway and industrial applications.

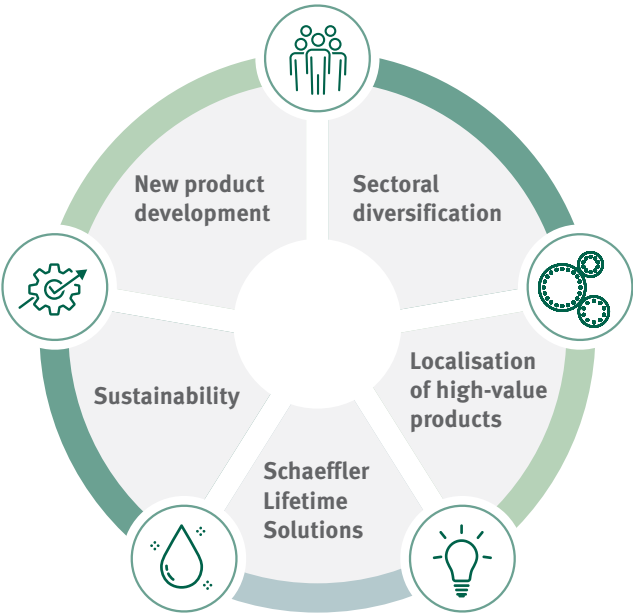


R&D Expansion: Building an India-centric engineering backbone

- Commissioned advanced lifetime, acoustics, and friction test rigs to expand testing capabilities.
- Upgraded the Maneja facility with an enhanced RCFA and Benchmarking Lab.
- Strengthened static and dynamic engineering simulation competence for Wind and Rail applications, supporting global programs and progressing toward a global simulation hub.



Strategy guided by interlinked priorities



This approach creates resilience across economic cycles, supply chain volatility, and pricing pressures.

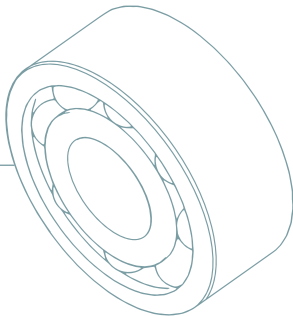
New product development



Spherical Roller Bearing



SNS Housing



India’s industrial landscape in 2025 continued to advance rapidly across rail, defence, infrastructure, and core industries. In an environment where sustainable advantage is defined not by scale alone but by readiness, success increasingly depends on combining engineering precision, localisation depth, systems intelligence, and execution excellence.

For the Bearings & Industrial Division, 2025 marked a year of reinforcing the strategic direction of our business. We deepened our localisation footprint for large size bearings, invested in critical manufacturing processes, strengthened engineering validation capabilities, and further reinforced our supply chain infrastructure. We strengthened our product portfolio with focused additions across critical applications—traction motor and gearbox bearings for Indian Railways; large cylindrical and tapered roller bearings for wind and heavy industries; and angular contact ball and cylindrical roller bearings for the power-transmission sector. Our service capabilities were significantly expanded through the Industrial Lifetime Solutions portfolio offering bearing, mounting and dismounting solutions, grease and auto-lubricators and advanced digital condition-monitoring systems supported by a 24×7 remote monitoring center.

I am pleased to share that the division is positioned to contribute meaningfully to the next phase of industrial expansion. Our mandate remains clear: anticipate complexity, invest ahead of demand and deliver reliability that endures. We are building advantage and strengthening Schaeffler India’s position as a trusted partner in the country’s industrial transformation.

Seshan Iyer
Bearings and Industrial Solutions

An aerial photograph of a two-lane asphalt road winding through a dense, lush green forest. A white semi-truck is driving away from the viewer on the road. The sunlight filters through the trees, creating a dappled light effect on the road and foliage.

Sustainability strengthens
competitiveness, guiding
smarter resource use,
lower emissions and
responsible growth
across our operations
and value chain.

ESG	
Stakeholder Engagement	71
Double Materiality	77
Environment	79
Social: Suppliers	83
Social: Employees	85
Social: Community	89
Governance	99
Board of Directors	105
Executive Leadership Team	109
Risk Management	111
Awards	118

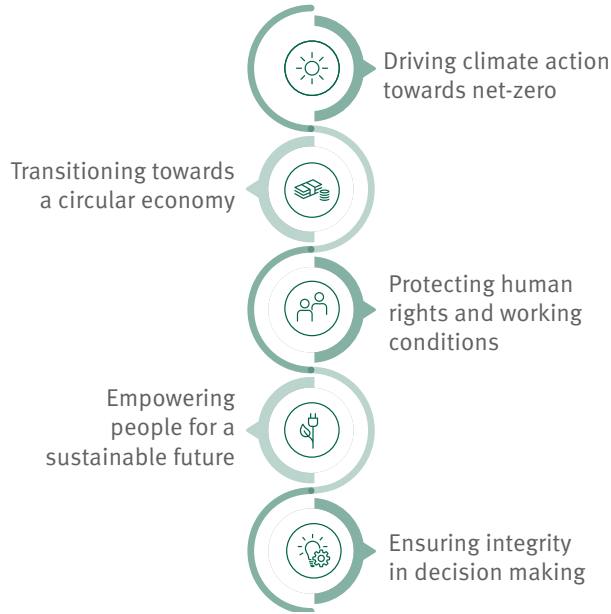
ESG

Our pathway to sustainable growth

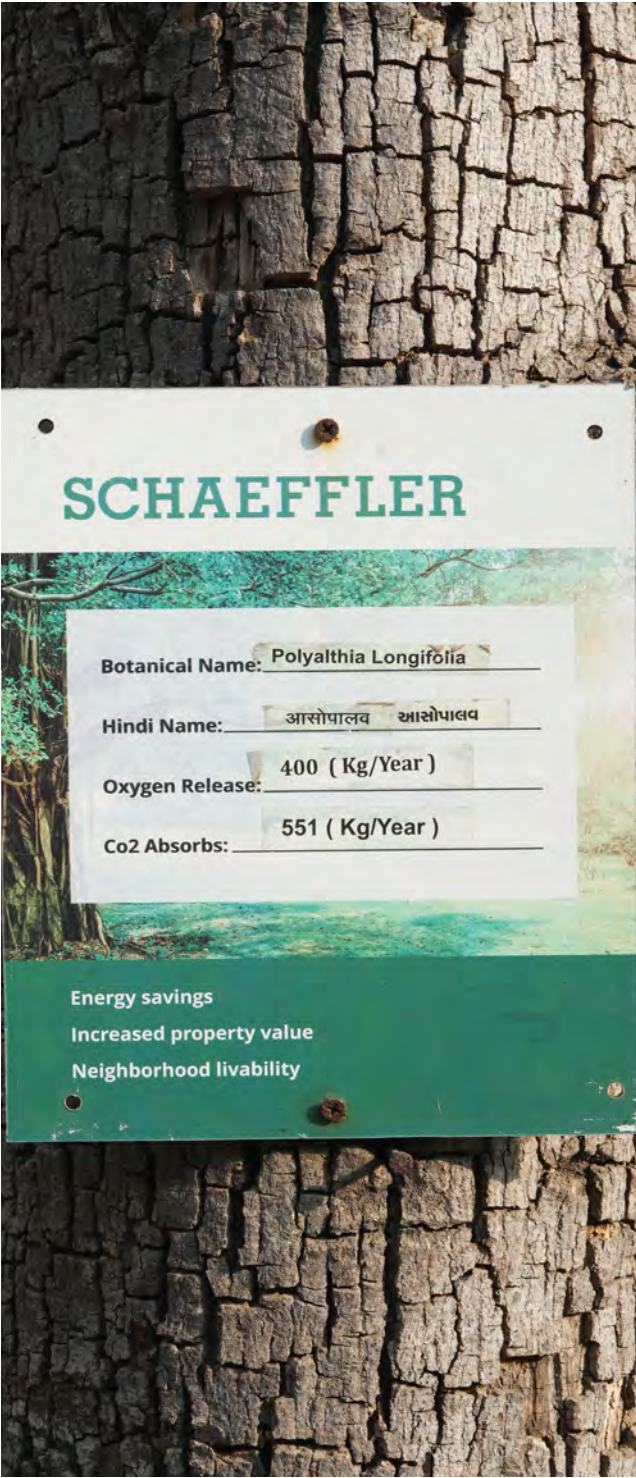
Schaeffler India’s long-term growth is intrinsically connected to its ability to operate responsibly, manage environmental resources efficiently, foster inclusive workplaces, and uphold the highest standards of governance. Sustainability therefore is embedded as a core element within our strategic framework and operational decision-making processes.

Across industries and markets, expectations from businesses are evolving rapidly. Climate change, resource constraints, workforce well-being, and ethical governance have become central to how companies manage risks and create enduring value. At Schaeffler India, these considerations are embedded in every aspect of our operations – from product design and manufacturing to supplier collaboration and community engagement.

Our sustainability approach is aligned with the Schaeffler Group’s global sustainability strategy, which integrates Environmental, Social and Governance (ESG) priorities into the broader ambition of becoming the leading Motion Technology Company. This alignment ensures that sustainability initiatives across Schaeffler India remain consistent with global targets, governance frameworks, and reporting standards, while responding to the specific operating context of the Indian market.



Together, these action fields provide a clear framework for translating sustainability commitments into measurable outcomes across Schaeffler India’s operations and value chain.



Impact and highlights

We continued to make measurable progress across our key sustainability indicators. These outcomes reflect consistent operational practices, targeted investments in efficiency improvements, and structured governance mechanisms that support responsible business conduct.



Environmental Highlights

100%	Renewable electricity consumption
6.99 MW	Installed solar capacity
2,046 MWh	Energy savings
37,241	Tonnes of CO ₂ emissions averted
Zero	Waste to landfill
15,935	Cubic metres of freshwater conserved
100%	Sites covered for climate risk assessments



Social Highlights

247.2 mn	CSR investments
1.2 mn	Lives impacted
92%	Employee satisfaction score
40+	Learning hours per employee
96%	Talent retention rate



Governance Highlights

100%	Trainings on code of conduct and POSH
100%	Critical suppliers assessed
Zero	Information security breaches
1 st	In Dow Jones Sustainability Indices in machinery and electrical equipment category
2	Women directors on the Board

Ratings

S&P Global

Company Name
Company Industry

TOP 10%

Corporate Sustainability Assessment (CSA) 2025 Score

Dow Jones Sustainability Index Scores

Schaeffler India Limited (SIL) has been classified by S&P in “Machinery and Electrical Equipment” industry segment.

Ranking	Scores	
1 st in India	76/100	CSA Score
7 th Globally	98%	Percentile

MEMBER OF
Dow Jones Sustainability Indices

Sustainability KPIs and performance tracking

To ensure transparency and measurable progress, Schaeffler India tracks sustainability performance indicators aligned with the Group’s five sustainability action fields. These KPIs enable monitoring of environmental impact, workforce well-being, governance, and value chain responsibility, in line with global frameworks such as the Global Reporting Initiative (GRI) and United Nations Sustainable Development Goals. The indicators below highlight progress made during the reporting period and support ongoing operational improvement.

Note: Renewable energy cosumption through purchased iRECs

Key KPIs

		KPI	KPI Progress	Status	GRI	SDGs
Driving Climate Action towards Net-Zero		Energy Efficiency Energy efficiency improvements realised (GWh)	2023 1.38 2024 0.91 2025 1.58		GRI 302: Energy	 
		Renewable Energy 100% Renewable Energy achieved through the purchase of I-RECs (International Renewable Energy Certificates) (%)	2023 31% 2024 37%¹ 100% 2025 38%¹ 100%		GRI 302: Energy	 
		Freshwater Supply Cumulated freshwater savings by verified measures excluding rainwater (m3).	2023 5985 6511 2024 9393 14782 2025 8940 15935		GRI 303: Water and Effluents	 
Transitioning towards a Circular Economy		Waste Recycling Total Waste Reused & Recycled (%)	2023 96.5 2024 97 2025 97.6		GRI 306: Waste	 
		Zero Waste to Landfill Sites achieving zero waste to landfill (%)	2023 47% 2024 59% 2025 100%		GRI 306: Waste	 
		Employee Safety Lost Time Injury Rate (LTIR YTD)	2023 0.15 2024 0.52 2025 0.13		GR 403: Occupational Health and Safety	 
Protecting Human Rights & Working Conditions		Human Rights Awareness Share of completed mandatory human rights trainings in own workforce (%)	97%		GR 412: Human Rights Assessment GRI 404: Training and Education	 
		Gender Diversity in Leadership Share of women in executive leadership team (%)	2023 22 2024 30 2025 30		GRI 405: Diversity and Equal Opportunity	 
Empowering People for a Sustainable Future		Qualification Participation rate in learning offering (%)	88%		GRI 404: Training and Education	 
		Corporate Social Responsibility CSR spend in (₹ mn)	2023 160 2024 215.6 2025 247.2		GRI 413: Local Communities	  

1. Own Solar Generation + Third Party PPAs

Target achieved

In progress

Target not met

Stakeholder Engagement

Building value together

At Schaeffler India, we are dedicated to strengthening stakeholder relationships through effective communication, which we believe is key to building a truly sustainable organisation. This enables us to identify issues critical to our ability to generate sustained value for all our stakeholders.

Interests

How we engage



Investors and Shareholders

How we create value

We deliver long-term returns based on a disciplined approach to capital allocation and ensure regular dividend payout.

[Read more on page 37](#)

- Strategy
- Company purpose and values
- Short and long-term financial performance
- Responsible business and ESG
- Key developments in the business and issues we are facing
- Ethics and transparency

- Investor meetings
- Quarterly calls, financial reports and presentations
- Annual general meetings
- Annual Report
- Official communication channels: Advertisements, publications, website, and social media

26.0%
Return on Capital Employed



Customers

What we do for them

We provide best-in-class products and services while providing superior customer experience.

[Read more on page 51](#)

- Innovative products and services
- Quality and product safety
- Superior customer service
- Tailored experiences both online and offline
- Business viability

- Customer meetings
- Official communication channels: Advertisements, publications, website and social media
- Conferences and events
- Customer feedback and satisfaction surveys

8.60
Schaeffler India Loyalty Index



	Interests	How we engage
 People What we do for them We help our people grow by recognising and developing talent and fostering a responsible culture based on inclusion and empowerment. We also provide continuous opportunities for learning and skill development. Read more on page 85	• Strategy • Inclusion and diversity, and training and development • Health, Safety and Environment (HSE) • Company purpose and values • Long-term commercial sustainability • Respect for employees • Responsible employer • Employee engagement and advancement	• Timely internal communications • Capability development programmes • Performance appraisal • Grievance redressal mechanisms • Wellness programmes 92% Employee engagement score
 Suppliers and Partners What we do for them We create an inclusive ecosystem for partners to grow and help end customers. Read more on page 83	• Strategy • Long-term commercial sustainability and business viability • Trusted partnerships • Brand protection • Health, Safety and Environment (HSE) • Environment, Social and Governance (ESG)	• Supplier development initiatives • Vendor assessment and review • Training workshops and seminars • Supplier audits • Official communication channels: Advertisements, publications, website, and social media 100% Self assesment questionnaire



		Interests	How we engage
 Community	What we do for them We empower beneficiaries through our CSR activities. Read more on page 89	• Local employment • HSE, including local environmental concerns, e.g. water conservation • Community engagement, e.g. support of local needs • Responsible approach to local laws and regulations	• CSR partnerships • Community welfare programmes • Meetings and briefings • Training and workshops • Impact assessment surveys • Official communication channels: Advertisements, publications, websites and social media • Complaints and grievance mechanisms 129,149 Lives impacted
 Environment	What we do for them We minimise our impact on the environment. Read more on page 79	• Carbon footprint reduction • Resource optimisation • Emissions and waste management • Transportation and logistics	• Statutory compliance filings and meetings • Official communication channels: Advertisements, publications, websites and social media 04 Regulatory and management audits/inspections



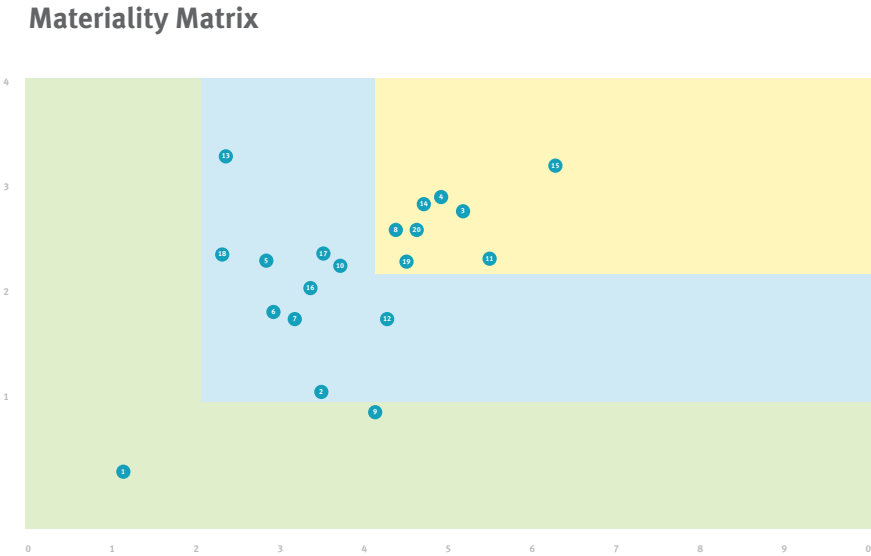
Double Materiality

Creating value through meaningful dialogue

Our material issues

In line with our ‘Sustainability to Core’ strategy, we conducted our first comprehensive double materiality assessment in 2024, addressing both financial and impact dimensions. This assessment followed the double materiality principle by incorporating internal (inside-out) and external (outside-in) perspectives.

To ensure continued alignment with stakeholder priorities, we plan to review and update this assessment every two years, with the next revision scheduled for 2026.



Priority

- 1. Energy management
- 2. Sustainable product design
- 3. Waste management
- 4. Emissions management
- 5. Transportation and logistics
- 6. Safety and working conditions
- 7. Data security and data protection
- 8. Ethics and transparency

Potential

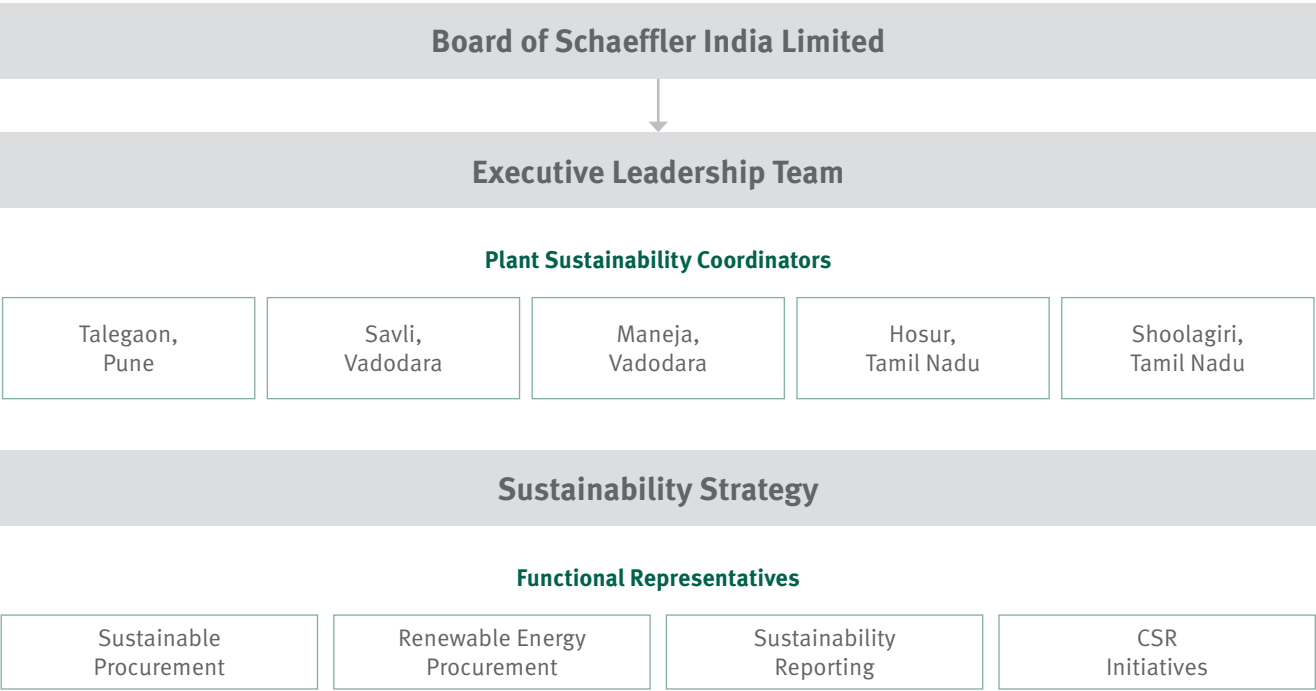
- 9. Water management
- 10. Community engagement
- 11. Diversity and inclusion
- 12. Human rights
- 13. Product quality and safety
- 14. Compliance
- 15. Economic performance
- 16. R&D, innovation and technology
- 17. Human capital development
- 18. Vendor management

Horizon

- 19. Biodiversity
- 20. Employees in the value chain

These topics are reviewed periodically to ensure continued alignment with stakeholder expectations and evolving sustainability standards. Schaeffler India plans to review and update its materiality assessment periodically to maintain relevance as regulatory and industry landscapes evolve.

ESG Oversight



Environment

Advancing climate action and resource efficiency

Environmental stewardship is an important component of our sustainability strategy. As a manufacturing-led organisation, we recognise our responsibility to manage energy consumption, reduce emissions, optimise resource use, and minimise environmental impact across operations.

Our environmental initiatives are aligned with the Schaeffler Group’s global sustainability strategy, particularly the action fields Driving Climate Action towards Net-Zero and Transitioning towards a Circular Economy.

Schaeffler Group’s climate strategy is aligned with the Paris Agreement and supported by Science Based Targets initiative (SBTi) validated targets, reflecting its commitment to reducing greenhouse gas emissions across operations and the value chain.

Within India, we prioritise enhancing energy efficiency, expanding renewable energy use, strengthening waste management, and advancing water stewardship across our manufacturing facilities.

Climate strategy and decarbonisation

Climate change presents both risks and opportunities for industrial companies. Managing energy consumption and reducing greenhouse gas emissions are therefore central to Schaeffler India’s environmental strategy.

Our decarbonisation approach focuses on three key pillars:

- Improving energy efficiency across operations
- Transitioning to renewable electricity
- Integrating climate risk considerations into operational planning

These efforts contribute to the broader Group ambition of reducing emissions from both production operations and supply chain activities.



Schaeffler India’s decarbonisation pathway is anchored in the Schaeffler Group’s Science Based Targets initiative (SBTi) validated climate targets, aligned with the Paris Agreement. Since 2023, Group emission reduction targets have been validated by SBTi. Following the merger with Vitesco Technologies at the Group level, revalidation is underway to ensure continued alignment across.

Energy efficiency

Improving energy efficiency remains one of the most effective ways to reduce environmental impact while enhancing operational performance.

During the reporting year, Schaeffler India implemented several energy efficiency initiatives across manufacturing facilities, focusing on:

Compressed Air Systems

Motors and Drives

Furnace Optimisation

Heating, Ventilation, and Cooling Systems

Lighting Upgrades

Process Optimisation Initiatives

These projects delivered

2,046 mWh energy savings
37,241 tCO₂e emissions averted

Beyond environmental benefits, these initiatives support improved energy intensity and operational efficiency across manufacturing processes.

Renewable energy transition

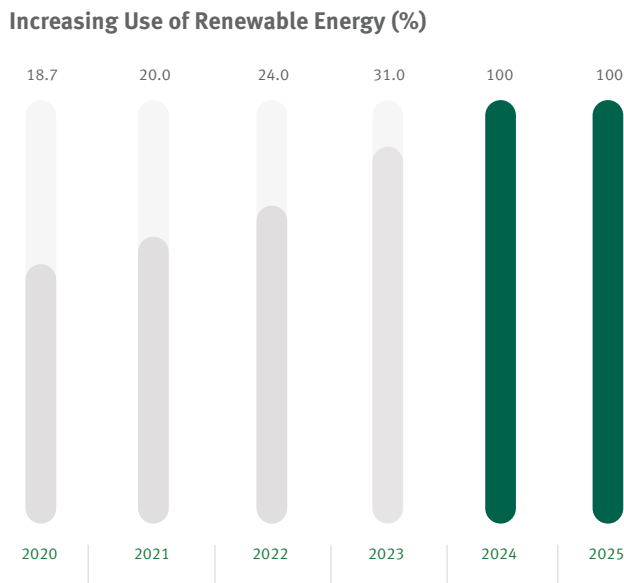
Renewable energy sourcing forms a key component of our decarbonisation pathway.

With 6.99 MW of installed solar capacity across our operations, we continue to explore additional renewable energy sourcing options to support a sustainable, long-term energy transition.

We achieved 100% renewable electricity consumption through a mix of on-site solar generation, third-party power purchase agreements, and renewable energy certificates, with 38% of our renewable energy coming from solar installations and PPAs, and the remaining through the purchase of IREC, resulting in zero Scope 2 emissions.

This milestone reflects the Company’s commitment to reducing operational emissions and strengthening the sustainability of its manufacturing operations.

100% Renewable energy consumption



Note : Zero Scope 2 Emissions - Market based



Engineering operational decarbonisation

Heat insulation enhancements, natural air circulation optimisation and advanced cooling integration projects were deployed across manufacturing facilities. These interventions demonstrate how incremental engineering improvements translate into measurable carbon and energy reductions.

Energy efficiency at Schaeffler India is driven by structured project identification, third-party verification, and integration within ISO 14001 environmental management systems.

Climate risk integration

All manufacturing sites have undergone structured climate risk assessments. These assessments evaluate:

- Transition risks, including regulatory tightening and carbon pricing
- Physical risks, including extreme weather variability

Climate considerations are embedded into capital expenditure decisions, infrastructure planning and operational resilience frameworks.

Environmental performance at Schaeffler India is therefore managed as an operational risk discipline under decarbonisation targets.

Environment

Circular economy and waste management

Engineering material efficiency at scale

Material efficiency lies at the core of our manufacturing discipline. In precision engineering, waste not only poses an environmental challenge but also signals economic inefficiency. We are continuously advancing our circular economy initiatives by actively reducing waste generation, enhancing material recovery processes, and minimising reliance on landfill disposal.

Plastic waste management and Extended Producer Responsibility (EPR)

Schaeffler India Limited operates under the Plastic Waste Management (PWM) Rules, 2016, as a brand owner and importer of plastic-packaged automotive products in the Indian market. In 2025, we successfully met our Extended Producer Responsibility (EPR) obligations through well-structured compliance frameworks and strategic partnerships with authorised recyclers.

We generated approximately 591 metric tonnes of End-of-Life (EoL) credits and recycled 295 metric tonnes of plastic waste, securing the necessary recycling credits in full accordance with regulatory mandates. Our adherence to the PWM framework is ensured through rigorous documentation, prompt reporting, and ongoing monitoring of statutory requirements.

By executing these responsibilities with discipline and actively engaging in the formal recycling ecosystem, we demonstrate our unwavering commitment to responsible plastic waste management, regulatory compliance, and environmentally sustainable operations. Our strong recovery performance is a testament to enhanced waste segregation systems, authorised recycling collaborations, and meticulous material tracking processes.



Zero waste to landfill: A journey of operational discipline

A significant environmental milestone for Schaeffler India was the attainment of Zero Waste to Landfill across all manufacturing sites. This accomplishment underscores our sustained commitment to enhancing waste segregation, strengthening recycling partnerships, and implementing rigorous traceability systems for manufacturing waste streams.

Although some landfill use occurred at select sites early in the year, operational improvements throughout the reporting period enabled all facilities to achieve and sustain Zero Waste to Landfill status.

We remain vigilant in monitoring non-recycled waste ratios and are dedicated to continuously improving waste recovery practices to ensure ongoing elimination of landfill dependency across our operations.

97.6%

Waste recycled

Water stewardship and circular resource management

Responsible water management is a cornerstone of Schaeffler India's environmental performance. Through targeted process optimisation and proactive water conservation initiatives, we conserved 15,935 cubic metres of freshwater during the reporting year.

Furthermore, we have implemented rainwater harvesting systems across multiple sites, enhancing groundwater recharge and bolstering long-term water resilience.

We remain committed to continuously exploring opportunities to improve water efficiency and progress steadily toward our long-term goal of achieving water neutrality.

Schaeffler India has articulated a water neutrality ambition by 2030.

Environmental management and governance

At Schaeffler India, our commitment to environmental performance is underpinned by robust governance frameworks and stringent operational controls. All manufacturing facilities operate within certified environmental management systems, rigorously aligned with internationally recognised standards.

We proactively monitor key environmental indicators—including emissions, energy consumption, waste generation, and water usage—across all operational sites. Beyond tracking greenhouse gases, we vigilantly measure air pollutants such as nitrogen oxides (NOx), sulphur oxides (SOx), volatile organic compounds (VOCs), and particulate matter, ensuring full compliance with environmental regulations while championing responsible stewardship.

Zero Waste to Landfill certificates



Social:Suppliers

Responsible procurement and strong partnerships

At Schaeffler India, procurement is a strategic driver of value creation and responsible business practices. We work with our partners through a robust procurement framework that balances cost efficiency with quality assurance, consistent supply, localisation, and sustainability. We are committed to building strong, lasting partnerships based on transparent contracts, rigorous qualification, and continuous performance evaluation across quality, delivery, cost, compliance, and ESG standards.

Localisation is at the heart of our strategy. By sourcing closer to manufacturing sites and fostering domestic suppliers, we aim to reduce dependence on imports, enhance supply reliability, and respond swiftly to customers. Our dual-sourcing approach and long-term agreements help mitigate risks from price volatility, capacity constraints, and external disruptions—ensuring mutual growth and resilience.

We work with our partners on this journey towards sustainable, dependable, and value-driven collaboration.



Building supply chain resilience through localised procurement

2025 was marked by continued supply chain volatility, commodity price fluctuations, and capacity constraints across global automotive and industrial ecosystems. These dynamics increased the risk of cost escalation and supply disruption across manufacturing networks.

Strategic Response

Schaeffler India accelerated its localisation-led procurement strategy, shifting critical sourcing closer to manufacturing locations while strengthening long-term partnerships with domestic suppliers. Procurement decisions continued to be guided by a total cost of ownership framework, balancing quality assurance, supply continuity, cost competitiveness, and ESG compliance.

Execution

- Increased localisation of key components and raw materials
- Dual-sourcing strategies for supply-critical categories
- Long-term commercial agreements to manage volatility
- Schaeffler capability development aligned with Schaeffler quality and sustainability standards

Outcome

This integrated procurement approach strengthened enterprise resilience, safeguarded delivery commitments, and reinforced Schaeffler India’s ability to perform consistently across cycles – validating our integrated value creation model.

Supplier Sustainability and Responsible Supply Chains

Sustainability is a core element of our procurement approach, with all partners adhering to our Supplier Code of Conduct, which establishes clear expectations for ethical business practices, labour rights, environmental responsibility, and regulatory compliance.

Suppliers undergo rigorous evaluation during onboarding and periodic assessments focusing on compliance, operational excellence, and sustainability performance. Through structured engagement and robust monitoring, we collaborate closely with our suppliers to enhance transparency, elevate operational standards, and foster responsible practices throughout our entire supply ecosystem.

Embedding ESG into procurement decisions

As sustainability expectations from OEM customers intensified, Schaeffler India strengthened the integration of ESG parameters into supplier onboarding, evaluation, and performance monitoring processes.

Procurement teams worked closely with suppliers to enhance compliance with environmental, labour, and governance standards while improving transparency across the supply chain.

This approach reduced compliance risk, improved supplier readiness for customer audits, and strengthened trust across the value chain, reinforcing procurement’s role as both a sustainability enabler and a risk management lever.

Digitalisation of procurement

We continue to strengthen procurement transparency and operational efficiency through digital platforms that streamline workflows, improve data visibility, and enhance governance across purchasing processes.

Digital procurement systems support automated workflows, strengthen policy compliance, and enable faster, data-driven decision-making across the purchasing lifecycle. These capabilities improve operational efficiency while fostering more transparent and collaborative engagement with suppliers.

Digitalising procurement to build an agile supplier ecosystem

In 2025, Schaeffler India implemented the Procure-to-Order (P2O) module on the Coupa platform, marking an important step in its digital procurement transformation.

The implementation automated the Purchase Requisition (PR) to Purchase Order (PO) cycle, improving process efficiency while strengthening governance and approval workflows. Procurement transactions are routed through defined approval hierarchies before orders are issued to suppliers, improving compliance and operational discipline.

To further streamline procurement operations, the Company introduced the Coupa P2O Catalogue, providing employees with a centralised repository of approved products and services. The catalogue simplifies vendor selection, improves purchasing accuracy, and ensures adherence to procurement policies.

Schaeffler India also deployed askLio, an AI-enabled procurement assistant that supports users through real-time guidance and automated validation of procurement data. The tool enables faster issue resolution and

performs automated checks between master data, quotations, and purchase requisitions, strengthening procurement accuracy, and decision-making.

Together, these digital tools have enhanced transparency, improved user experience, and strengthened collaboration across procurement stakeholders, supporting a more agile and efficient supplier ecosystem.



Resilient and responsive supply chains are fundamental to Schaeffler India’s ability to deliver consistent value to our customers. In an increasingly dynamic operating environment, our focus is on building a procurement ecosystem that balances reliability, agility, and responsible sourcing.

Strong and trusted supplier partnerships remain central to this effort. By working closely with suppliers to strengthen capabilities and expand localisation, we are building a supply network that supports operational stability while enabling responsiveness to evolving customer requirements.

Technology is also reshaping the way supply chains operate. Digital procurement platforms are enhancing visibility, improving governance, and enabling faster, data-driven decision-making across the purchasing lifecycle.

As we move forward, our priority remains clear: to continue strengthening supplier collaboration, advancing digital procurement capabilities, and embedding sustainability across supply chain practices to support Schaeffler India’s long-term growth.

Vinod Acharya
Purchasing

Social:Employees

Strength in people and perspective

At the heart of Schaeffler India’s long-term success are our people. As a technology-focused manufacturing company, we understand that sustainable growth relies on maintaining a safe work environment, nurturing a skilled workforce, fostering an inclusive culture, and actively engaging with the communities around us.

Human capital is a strategic infrastructure within our enterprise model. The strength of our engineering systems, manufacturing discipline, innovation pipeline, and governance architecture depends on the depth, continuity, and adaptability of our workforce.

We remain dedicated to workplace safety, skill development, diversity, and impactful community engagement. Our employee well-being initiatives align with the Schaeffler Group’s sustainability strategy, emphasizing human rights protection, fair working conditions, and empowering people for a sustainable future.

Our employee strategy is built on four structural pillars: Leadership excellence, future-ready upskilling, holistic well-being, and inclusive growth. Together, these pillars strengthen enterprise resilience, reduce operational risk, and enhance innovation.



Human capital snapshot

87.6%
Permanent workforce

14.2
Average training hours per employee

4.1%
Female representation

4.3%
Voluntary attrition rate

92%
Employee engagement

These metrics align with global ESG reporting frameworks, including GRI 401 (Employment), 403 (Occupational Health and Safety), 404 (Training & Education), and 405 (Diversity and Equal Opportunity).

Health, safety and workplace well-being

At Schaeffler India, employee safety and well-being are non-negotiable priorities. In high-performance engineering environments, resilience—both physical and mental—is essential. Our holistic well-being strategy goes beyond the workplace, combining proactive preventive care, dedicated mental health support, and a culture of inclusion that empowers every individual to thrive.

Culture, inclusion and engagement

Our approach integrates physical, mental, and social resilience:

- Mental well-being sessions
- Yoga and meditation programs
- International Yoga Day celebrations
- Preventive health check-ups
- Blood donation drives

Family and continuity engagement

We extend care beyond the workplace through summer camps for employees’ children, community-driven initiatives reinforcing family inclusion as part of our employer promise.

Events such as Khel Utsav, Diwali celebrations, diya painting, and lantern-making initiatives foster cultural belonging. These shared experiences build trust capital across functions and shop-floor teams alike.

Leadership soundboard

Through structured forums such as the Leadership Soundboard, employees engage directly with leadership, strengthening transparency and empathy-led communication.

Empowered workforce and innovation culture

In 2024, we introduced the IdeaFactory initiative to unleash grassroots innovation. By inviting employees across all levels to contribute improvement ideas, we embed ownership and problem-solving into everyday operations. This participative culture strengthens enterprise resilience, transforming shop-floor insights into strategic outcomes and ensuring that innovation is not just encouraged—but lived daily.

1,415
Total ideas submitted

32,340
Cost savings generated

1,071
Ideas implemented

Safety

At Schaeffler India, we recognize that complex processes and advanced equipment require robust systems to ensure a secure work environment. That’s why we implement structured health and safety management frameworks across all facilities—identifying risks, preventing incidents, and embedding a culture of safety at every level.

Our practices include regular training, workplace risk assessments, transparent incident reporting, and continuous monitoring of performance indicators. Key metrics such as the Lost Time Injury Rate (LTIR) are tracked and reviewed periodically, enabling us to identify opportunities for improvement and strengthen accountability.

Beyond workplace safety, we are committed to holistic employee well-being. Initiatives that promote physical health, mental resilience, and work-life balance ensure that our people not only work safely but also thrive personally and professionally.

Human capital development

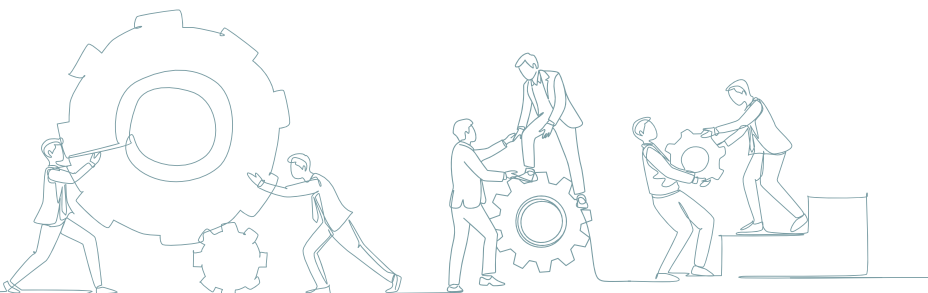
We prioritise employee development to uphold technological leadership and operational excellence. We invest in continuous learning through structured training programmes covering technical skills, digital competencies, leadership, and compliance. During the reporting period, each employee averaged over 40 hours of learning, demonstrating a strong commitment to ongoing professional growth and readiness for evolving industry demands.

Diversity and inclusion

Strengthening diversity and inclusion is a key workforce priority. Strong POSH policies and Internal Complaints Committees ensure psychological safety and compliance. We aim at fostering an inclusive environment where diverse employees can thrive, with a focus on improving gender diversity and equal growth opportunities. This commitment is reflected at the leadership level, with two women directors on the Board and an increase in female representation in top management.

30%
Women in executive leadership

70.4%
POSH training coverage



Social:Employees

Employee engagement and strategic listening

Employee voice is institutionalised through our annual Employee Engagement Survey, anchored in well-being, engagement, and inclusion.

- Fully anonymous and GDPR-compliant
- Action-planning workshops cascaded across plants
- Townhalls and structured progress reviews



Leadership excellence and capability acceleration

Operational reliability requires leadership continuity. To institutionalise this, we strengthened structured leadership development frameworks during the year.

Signature Impact Program

Our flagship in-house initiative, the Signature Impact Program, is a 32-hour immersive leadership journey. It is designed to cultivate self-mastery and interpersonal excellence, the curriculum integrates:

- Big-picture strategic thinking
- Self-brand building
- Accountability and ownership
- Emotional intelligence
- Executive presence and interpersonal excellence

Impact:



- Cross-functional leadership integration across finance, IT, HR, CEO functions, and plant leadership teams
- Following strong feedback, the program is expanded across all functions and plants in 2026



India Development Program landscape

To deepen leadership depth across levels, we launched a structured 18–24-month India Development Program framework:

- SSDP: Supervisory Skills Development Program
- MDP: Manager Development Program
- MEP: Managerial Excellence Program

Rigorous in-house assessment centres incorporating cognitive and psychometric evaluations ensure merit-based participation. Formal learning journeys for shortlisted cohorts commence in 2026.



Future-ready upskilling

With technology cycles in motion systems accelerating and AI-driven manufacturing reshaping engineering, our workforce digital upskilling strategy focuses on proactive capability building.

The Schaeffler Academy ecosystem

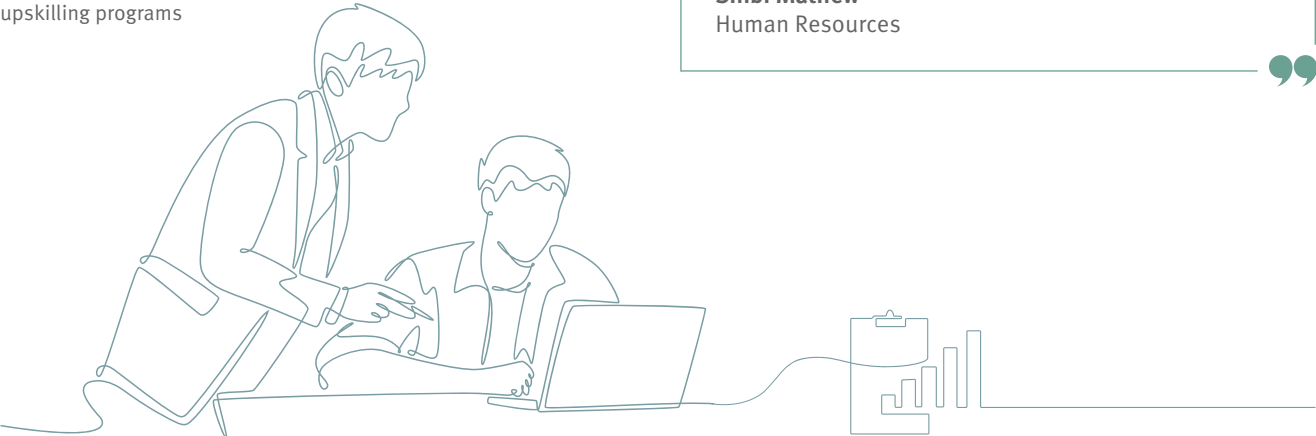
The Schaeffler Academy serves as our global learning platform, offering modular workshops, specialized seminars, and a digital library of 1,000+ courses in engineering, AI, data science, leadership, and emerging technologies. Universal LinkedIn Learning Premium access supports ongoing digital upskilling, while “Fit4” programs bridge traditional engineering with future mobility and automation needs.

AI masterclasses and digital capability

Recognizing AI’s rapid industrial adoption, we held AI masterclasses to equip employees with essential AI skills, aligning innovation speed with workforce readiness.

Precision performance management

Our “Drive Your Career” philosophy integrates structured goal-setting with 360° feedback, transforming performance conversations into development accelerators. Clear action plans, strength-based coaching, and transparent review mechanisms ensure accountability with empathy.



In a year marked by industrial transformation and digital acceleration, our focus remained steadfast: to strengthen the human capital that drives Schaeffler India’s long-term competitiveness.

2025 was dedicated to building structural capabilities—enhancing digital and AI readiness to future-proof skills, improving employee listening frameworks to boost governance and transparency, and deepening inclusion by tracking leadership diversity.

Our Signature Impact and India Development Programs form the foundation for succession planning. AI masterclasses and the Schaeffler Academy foster digital resilience, while our engagement surveys ensure accountability.

Female representation in top management stands at 30%, reinforcing diversity in leadership. We enhanced POSH governance and leadership forums to embed psychological safety and expanded well-being initiatives supporting both physical and mental health.

Human excellence remains our greatest asset. Our people don’t just power motion—they drive momentum.

Shibi Mathew
Human Resources

Social:Community

Creating shared value

At Schaeffler India, we are committed to social progress, embodied by HOPE, our flagship CSR initiative. HOPE helps us deliver on our promise through four core pillars: Healthcare, Occupational Skilling for Employability, Preservation of Heritage and Environment, and Empowerment of Society. By actively engaging in community well-being initiatives, we foster inclusive growth and create lasting positive change.



H.O.P.E.

CSR Thematic Areas							
Healthcare		Occupational Training for Skill Development		Preservation of Environment		Empowerment of Society	
₹21mn	58,241	₹45.5mn	1414	₹116.4mn	55,452	₹55mn	14,042
Spent	Lives impacted	Spent	Lives impacted	Spent	Lives impacted	Spent	Lives impacted

We design CSR programs to create positive impact while supporting the social and economic development of communities surrounding our operations.

Employees also actively participate in volunteering initiatives, contributing time and expertise to support community development projects.

Outcomes of the CSR initiatives during the year



129,149

Total Lives Impacted



₹247.2 mn

Total Spend



1,942 Hrs

Employee Volunteer Engagement in CSR



HealthCare

Schaeffler’s Mobile Medical Unit delivers essential primary healthcare directly to underserved communities, reducing medical expenses and easing the load on public health systems. Since 2014, the program has offered outpatient care, maternal and child health services, and proactive health management. It aims to ensure primary healthcare coverage, reduce anaemia and malnutrition in children (0–5 years), and support pregnant and lactating women. Through the Sangaath initiative, communities are connected to key government health schemes, ensuring comprehensive, accessible care.

Mobile Health Units

Our mobile health units have been delivering preventive and curative healthcare services to approximately 105 villages across Pune, Vadodara, and Hosur since 2014. These units provide doorstep healthcare through regular visits, free of cost to beneficiaries. The project includes the following interventions:



Counselling and Awareness Programme

19,104

Beneficiaries in 2025

155,699

Beneficiaries Since Inception



Adolescent Anaemia Programme

783

Beneficiaries in 2025

13,211

Beneficiaries Since Inception



General OPD Coverage

66,879

Beneficiaries in 2025

701,087

Beneficiaries Since Inception



Underweight Children Programme

1,493

Beneficiaries in 2025

16,446

Beneficiaries Since Inception



Facilitating Convergence with Govt Schemes

20,216

Beneficiaries in 2025

29,870

Beneficiaries Since Inception

Social:Community

Confronting cancer: Subhadra Kude’s journey to recovery

Subhadra Dnyandev Kude, a 61-year old from Wahangaon, faced prohibitive costs for gastric cancer treatment. The Sangaath Project, supported by Schaeffler India Limited, facilitated activation of her Ayushman Bharat (PM-JAY) card through eKYC and documentation support.

This enabled timely oncological care worth ₹2 lakhs, covered under the scheme’s ₹5 lakh annual limit. The intervention removed financial barriers, safeguarded her dignity, and demonstrated the impact of combining health insurance with grassroots facilitation to ensure equitable healthcare access.



Occupational training for skill development

Schaeffler runs multiple skill-building projects—Schaeffler Technical Enhancement Program, and Skill Development Centres in Pune, Hosur and Govt ITI at Vadodara to equip youth with market-ready technical skills. These initiatives improve employability, encourage innovation, and enhance livelihood opportunities. The Women Skill Development initiatives further expand income potential through practical beauty therapy training and sewing machine operators, particularly empowering women and marginalised groups.

Skill Initiatives



Schaeffler Technical Enhancement Program (STEP)

The STEP initiative focuses on providing technical education to underprivileged youth, with Schaeffler India contributing to the establishment of a state-of-the-art technical training centre for these students.

The program operates across three locations:

Hosur: Training rural youth in CNC Turning, Milling, and Mechatronics, empowering them to explore employment opportunities.

Pune: Equipping youth with industry-aligned skills in CNC Programming, Simulation, Autotronics and Electric Vehicle.

Vadodara: An upskilling program at Government ITI, Gorwa, training youth in Industry Fundamentals, Mechanical Maintenance, and Mechatronics.



NITARA Academy, Vadodara

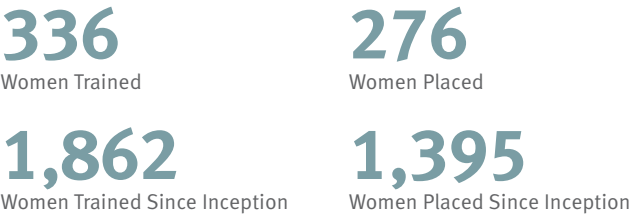
NITARA Beauty Academy and Salon provide beauty and wellness training to marginalised and differently-abled women, empowering them to earn a sustainable livelihood.

Women skill development at Hosur

This program trains rural women as Sewing Machine Operators and Assistant Beauty Therapists, offering entrepreneurial opportunities to enhance their livelihoods.

Skilling Women for Earning

Our CSR team focuses on promoting women-led social enterprises, offering financial support, mentorship, and capacity-building programs. Through these efforts, two rural women-run enterprises have been trained to create sustainable products like jute bags and river grass items for corporate gifting, with one now serving as a registered vendor for our packaging needs.



Saksham

Implemented by Mook Dhvani Trust in Vadodara, the project Saksham provides structured skill development training for specially-abled students of Classes 9–10. Over two years, vocational courses such as Tally, MS Office, Excel, hairdressing, gardening, and art and craft are offered.

The initiative bridges the gap in guidance and training, enabling students to convert abilities into sustainable skills. It aims to promote independence, improve livelihood opportunities, and strengthen socio-economic development for beneficiaries and their families.



Participant Testimonial: Schaeffler STEP Program

From challenges to change: Schaeffler STEP gave new wings to my life

Coming from a farming background in Pullaneri village, Tirupattur district, I completed my Diploma in Mechanical Engineering in 2018. I began working in the manufacturing industry on a contractual basis with a modest income but unfortunately lost my job due to the closure of the production line.

Schaeffler Technical Enhancement Program (STEP) Pune

Pawan Kale, educated in Ahilyanagar, chose to specialize in the Electric Vehicle (EV) sector to secure a future ready career. He enrolled in the EV course at Don Bosco Chinchwad, gaining technical expertise and hands-on training aligned with industry standards. The program also instilled discipline, ethics, and responsibility through mentorship.

After completing the course, Pawan secured employment with Yulu in Mumbai, earning ₹28,000 per month. This role provided financial stability and professional exposure, laying a strong foundation for his long-term career in the evolving EV industry.



Realising that additional skills were essential to secure a permanent role in the industry, I enrolled in the EV Assembly & Service Technician course at Schaeffler at STEP Center Hosur. This decision proved life-changing, as the training enabled me to gain industry-relevant expertise. Upon successful completion of the course, I was placed at Toyota Boshoku Automotive India Pvt. Ltd., marking a significant turning point in my career.

Yuvaraj J

Social:Community

Preservation of environment

Schaeffler India’s environmental sustainability projects focus on sustainable water management, agricultural enhancement, livestock management and clean energy development across various regions in India. The projects address critical water scarcity issues by creating substantial water storage capacities, implementing afforestation, and promoting drip irrigation, benefitting thousands of people. The initiatives collectively contribute to climate action, improved agricultural livelihoods, and the promotion of renewable energy.

156 Total Villages Targeted

55,452 Beneficiaries Covered in 2025



Interventions

	Water storage potential created	302.73 Mn litres
	Land covered under soil conservation	1359.28 Ha
	Total plantations/tree saplings	125,460 Nos.
	Area covered under orchards/plantations	210.42 Ha
	Total irrigation potential created	519.50 Acres

Jal Sanghamam

The Capital Proofing of Agriculture and Livelihoods (CPAL) initiative is being implemented across eight villages in Madakkal panchayat, Krishnagiri district, Tamil Nadu. It is designed to address the challenges posed by climate change to agriculture and rural livelihoods. By adopting a holistic, adaptive approach, the project aims to strengthen the resilience of farming communities and safeguard their income sources.



Jal Jeevika

The Jal Jeevika project in Mal Samot village, Dediapada (Narmada district) addresses low agricultural productivity despite high rainfall. Challenges include hilly terrain, poor soil, and lack of water storage, leading to distress migration among tribal communities.

Through soil and water conservation, efficient irrigation, and water stewardship, the project aims to improve resource management and reduce migration by strengthening local livelihoods.



Conserving water, reviving livelihoods

The Jal Jeevika project, implemented by BAIF with CSR support from Schaeffler India Limited, addressed chronic water scarcity in Mal and Samot villages despite high rainfall. Using a ridge-to-valley watershed approach, 950 hectares were treated between 2022–2025, directly benefiting 477+ farmers.

The project harvested 15.7 lakh cubic metres of water, improved groundwater levels, and expanded irrigated land. Farmers shifted from single-season to multi-season cropping, raising annual household incomes up to ₹30,000–₹35,000.

Local employment worth ₹29 lakhs was generated, alongside community contributions and strengthened village institutions.

Seasonal migration reduced, food security improved, and community confidence grew. Jaljeevika demonstrates how scientific watershed planning, community participation, and CSR partnerships can build water-secure, resilient tribal landscapes.



Agro-Horti Forestry Project

The project aims to restore 404.7 hectares of degraded land in Surgana block, Nashik district, by planting 1,68,000 horticulture and forestry saplings, benefiting 2,400 individuals. It promotes sustainable livelihoods, reduces migration, and is expected to sequester 60,000 tonnes of CO₂ over 20 years. The initiative also supports biodiversity conservation and nutritional security for local communities.

Cultivating stability through agroforestry

Chintaman Bagul, a small farmer from Gopalpura, struggled with low productivity and seasonal migration, earning only ₹25,000–₹30,000 annually. In 2024, through the Wadi Agroforestry Project at surgana taluka in Nashik district of Maharashtra (implemented by BAIF with CSR support from Schaeffler), he converted one acre of barren land into an orchard with 80 mango grafts and 200 forestry plants, supported by solar irrigation and training.

Within the first season, he harvested 19 quintals of turmeric, selling 16 quintals for ₹1,12,000—nearly four times his previous income. The intervention ended his need for migration, improved household stability, and positioned him as a self-reliant farmer with sustainable livelihood prospects.



Walmi – Jawadhu Hills

The Walmi project is implemented in block of Tiruvannamalai District, a tribal region marked by poverty and dependence on rain-fed farming. Steep terrain, poor soils, and erratic water availability have made agriculture unproductive, driving migration to cities and plantations, and in some cases, leading to unsustainable practices like illegal tree cutting.

Through soil and water conservation measures, the project has promoted resilient agriculture, restored natural resources, and provided farmers with sustainable livelihood options. These interventions have reduced migration pressures, supported poverty alleviation, and encouraged environmentally sound practices.

Social:Community

Walmi watershed project

Mr. Duraisamy, a small farmer from Melkuppasanavoor village, owned 1.2 acres but could cultivate only 50 cents due to uneven terrain and poor moisture retention, earning just ₹3,500 annually from rainfed millet.

Through the WALMI Watershed Project, land leveling improved soil depth and water retention, enabling crop diversification. He cultivated cucumber and millet across one acre, raising his annual net income to ₹33,000.

The intervention enhanced land productivity, reduced climate risk, and strengthened livelihood resilience, demonstrating the impact of watershed-based land improvement for small farmers in hilly regions.

Empowering society

Our CSR portfolio includes education, innovation, skills, and green energy initiatives. Programs such as the Pre-Vocational Education Program, Social Innovator Fellowship, Education for specially-abled children and Green Energy School Electrification promote inclusive development. Mobile Science Labs, Engineering Scholarships, and infrastructure upgrades ensure improved access to quality STEM education and technical training, empowering youth and supporting long-term community advancement.

	MSL & Science Centre	9,119 Beneficiaries
	Pre-Vocational Program- Introduction to Basic Technology	3,107 Beneficiaries
	Scholarship Program	109 Beneficiaries
	School Infrastructure	1,417 Beneficiaries
	Social Innovator Fellowship Program	10 Beneficiaries
	Jal Saathi	280 Beneficiaries

Pre-vocational education program

The Introduction to Basic Technology (IBT) program, developed by Vigyan Ashram, is implemented in 16 government-aided schools across Talegaon, Pune, and Gujarat. It provides hands-on training for students in Classes 8–10, covering engineering, energy, environment, agriculture, animal husbandry, and food processing.

The initiative promotes experiential learning and skill acquisition, equipping students with practical knowledge to strengthen future livelihood opportunities.



Social innovator fellowship program

The fellowship supports young innovators (18–32 years) developing solutions in environmental sustainability, renewable energy, carbon neutrality, circular economy, natural resource management, and socially applied technology.

Benefits:

- 24-week mentorship at IIMA Ventures, IIM Ahmedabad
- ₹1.5 lakh fellowship grant
- Access to Schaeffler India’s network, partners, and peer innovators

The program fosters collaboration, knowledge exchange, and impactful social innovations to address pressing societal challenges.

467
Registrations

103
Qualified

91
Stage 1 qualified

25
Stage 2 qualified

10
Awarded



Driving equitable industrial growth through inclusive innovation

Raghav Gupta, founder of EquiDEI and a fellow of the Schaeffler India Social Innovator Fellowship Programme, 2024-25 is transforming how small and medium enterprises (SMEs) access growth through inclusive, technology-driven solutions. An industrial engineer from VIT and the youngest Professor at IIT Kanpur, Raghav combines academic excellence with grassroots insight to address the global \$5 trillion SME financing gap.

Inspired by his early exposure to factory operations, he built EquiDEI - a WhatsApp-based AI and blockchain-powered factory management platform that formalises shop-floor data, empowers workers, and builds trust for institutional financing. His work has facilitated over ₹10 crore in debt, forged partnerships with SIDBI, the Government of Telangana, and CiHub, earning national

recognition. Raghav envisions revolutionising business lending to create a more equitable, transparent, and sustainable industrial future.

Harnessing AI to protect memory, dignity, and brain health

Nidhi Garg, founder of Nema AI and a fellow of the Schaeffler India Social Innovator Fellowship Programme 2023-24, is a purpose-driven social innovator working at the intersection of technology and brain health. Inspired by witnessing unaddressed mental health challenges among young people, Nidhi began her journey focusing on autism and ADHD before pivoting to dementia - an often overlooked yet rapidly growing global challenge. Through Nema AI, she is enabling early screening and delayed onset of dementia, helping individuals preserve memory, dignity, and quality of life.

By partnering with hospitals and neurologists, Nema AI delivers scalable, subscription-based solutions grounded in real medical ecosystems. Nidhi has strengthened her leadership, validation, and impact, with global recognition from UNDP and Forbes underscoring the significance of her work.

Social:Community



Schaeffler Engineering Scholarship and Mentorship

Launched in 2019, the HOPE Scholarship supports economically disadvantaged female students, with preference to PWD candidates, in pursuing engineering education, providing continued support throughout all 4 years of their engineering program. Selected through merit and interviews, 35 scholars were paired with Schaeffler India employees for mentorship.

The initiative addresses high dropout rates after 12th grade by providing financial aid and guidance, enabling students from rural and low-income backgrounds to continue their engineering ambitions.



Turning limitations into learning opportunities

Born into an army household, Stanzin Changchup has never known the meaning of giving up. At just 19 years old, this young woman from Khardong, Ladakh, ventured to Hyderabad to pursue B.Tech in Electronics and Communication Engineering at International Institute of Information Technology, Hyderabad. For Stanzin, it felt like stepping into her first battle, far from the comfort of her home turf.

Having received a free education at Navodaya Vidyalaya, Stanzin’s family faced the heavy burden of managing the steep costs of education and living expenses for two children determined to turn their

dreams into reality. The financial strain on her father, an army officer, was overwhelming. But just as every soldier backs another soldier at the time of war, Stanzin’s dreams found support through the HOPE Engineering Scholarship by Schaeffler India.

Though she’s still adjusting to life in the city of pearls, this financial aid has lifted the weight of her academic and career aspirations, allowing her to focus entirely on her dream of making a name for herself. With a clear vision of her future, Stanzin aspires to become a skilled engineer and plans to leverage her engineering degree to build a successful career and stabilize the conditions back home. She is deeply grateful for the support provided by Schaeffler India and is highly motivated to face and overcome every challenge that lies ahead.



Mobile Science Lab Program



The Mobile Science Lab initiative in Vadodara (Gujarat) and Hosur (Tamil Nadu) delivers hands-on science education to underserved children through vans equipped with models and experiments. Guided by instructors, the labs make abstract concepts accessible, foster curiosity, and also engage adult community members in scientific learning.



Community infrastructure development initiatives

Schaeffler India, in collaboration with local communities, is improving school infrastructure by addressing issues such as poor toilets and overcrowded classrooms to enhance teaching and learning conditions. Extending this commitment, the initiative also tackles severe water scarcity in select communities by developing sustainable drinking water systems.

Together, these interventions improve quality of life and foster long-term community well-being.



The project also fostered community ownership through active participation, financial contributions, and the formation of a Village Water User Group to maintain infrastructure. This has strengthened cohesion, empowered villagers, and secured sustainable access to safe drinking water.



Energy Efficient Cookstove

This initiative is taken in undertaken in 114 villages of Singrauli district, Madhya Pradesh to reduce dependence on fuelwood by distributing improved cookstoves to poor and marginalized families living near forested areas. The initiative targets a 50% reduction in fuelwood consumption, with an expected mitigation of 14,000 tonnes of CO₂ emissions by December 2025. Post-distribution surveys highlight strong impact, with 80% of users reporting a 45–55% decrease in smoke levels, cooking time, and fuelwood requirements. This intervention not only contributes to climate action but also enhances the quality of life for vulnerable communities, reinforcing the link between sustainability and social equity.



Jal Saathi – Water for wellness

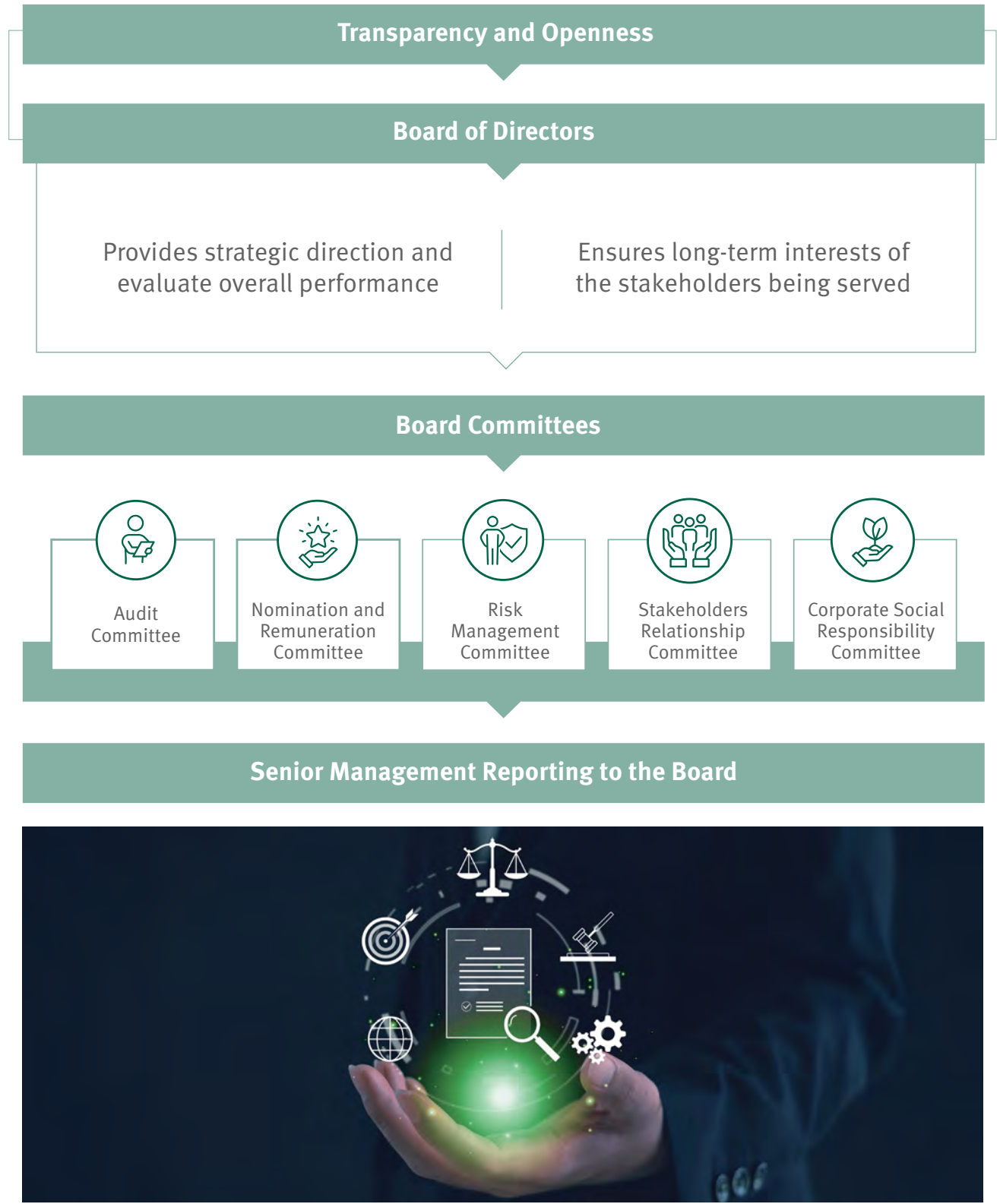
The Jal Saathi project in Varadhegoundandoddi village, Thally Block, Krishnagiri district, addresses severe water scarcity affecting 85 households & 280 people benefitted. Despite high rainfall, dependence on deep borewells left the community with limited supply, forcing families to walk long distances for water.

Interventions included drilling new borewells with recharge shafts, constructing a 5.36 lakh litres open well with a solar-powered lifting system, installing rooftop rainwater harvesting, and connecting storage tanks for distribution. These measures now ensure year-round water availability, improve health, and reduce hardship.

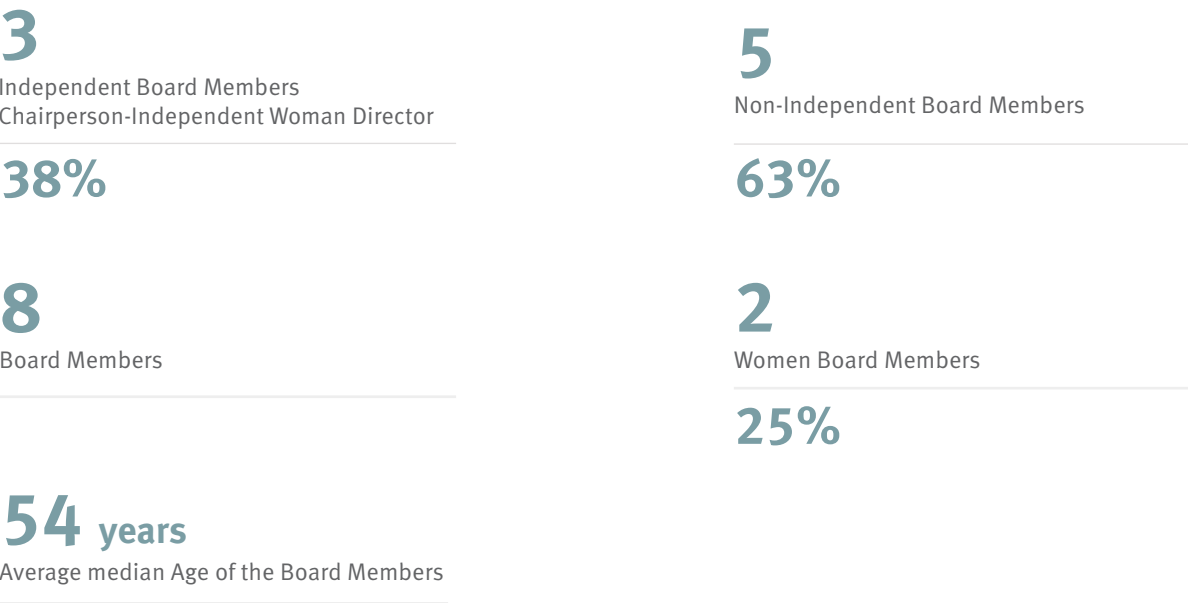
Governance

Driving strong governance with integrity and transparency

We adhere to the highest standards of corporate governance to ensure ethical conduct, integrity, transparency, and accountability throughout the organisation. This approach allows us to maintain oversight, identify risks, and enhance value for all stakeholders.



Board Diversity



Board meeting details

Board Meetings	Board Members	Attendance	
		Total Members	Independent Members
February 27, 2025	9	8	3
April 29, 2025	9	6	2
July 25, 2025	7	7	3
September 30, 2025	7	7	3
October 31, 2025	7	7	3

Note: Board details as of the report date

Governance

Enabling comprehensive value creation



1. Rights and equitable treatment of Shareholders

Communication with Shareholders

- Shareholders are adequately informed through various channels of communication such as emails, newspaper advertisements, stock exchange intimations, and social media updates about important matters such as:
 - » Intimation about Dividend declaration and payment, TDS on dividends, transfer of unclaimed dividends and shares to the Investor Education and Protection Fund (IEPF).
 - » Updates on Quarterly Unaudited Financial Results and Annual Audited Financial Results, and key highlights of Financial Results on a quarterly basis.
 - » Awareness and information on Dematerialisation process of shares.
 - » Awareness and information on KYC updation.
- Initiatives aligned with regulatory requirements, such as ‘Saksham Niveshak’ campaign to increase awareness about claiming the Shares transferred to IEPF, special window for Re-lodgement of transfer requests of physical Shares to facilitate smoother and more efficient share transfer processes, and
- Shareholders are provided with an opportunity to participate, raise questions, and vote electronically (in person/through proxies) in Shareholder meetings and postal ballot processes.

Related Party Transactions

- Details of the Related Party Transactions (RPTs) are informed in a timely manner to the Audit Committee and Board of Directors for informed decision-making. All Related Party Transactions are approved by the Audit Committee, and noted by the Board of Directors. All necessary details of Material Related Party Transactions are informed to the Shareholders for transparent oversight and decision-making.
- Certificate from an Independent Auditor (Transfer Pricing Auditors) to the effect that the Related Party Transactions entered into by the Company are in the ordinary course of business and on arm’s length basis, is obtained on a half-yearly basis, and is placed before the Audit Committee and Board of Directors.
- Relevant disclosures with details of the Related Party Transactions are made to the stock exchanges on a timely basis.

Shareholders’ Handbook

- The Company values its relationship with its Shareholders and aims to improve the services provided to them. Shareholder’s Handbook (‘Handbook’) is an effort of the Company to educate its Shareholders about their rights, standard procedures, documentation requirements for certain matters viz. KYC updation, Conversion of physical shares into demat, transmission of securities, claiming unpaid dividend etc. and to assist them in resolving their general queries. The Handbook should be considered as an informal guideline only and shall not be treated as final and binding. The Handbook is available on the website of the Company at <https://www.schaeffler.co.in/en/investor-relations/shareholders-information/shareholders-news/>

Conflict of Interest

- Policies and procedures are in place to disclose and avoid conflicts of interest involving directors, employees, and related parties which help prevent situations where Shareholders’ interests are compromised for personal gain. Annual affirmation is obtained from all the directors and senior management in this regard.



2. Role of Stakeholders in Corporate Governance

Stakeholder Engagement

- Our stakeholders include investors and shareholders, customers, dealers, distributors, employees, suppliers and vendors, the community, and government bodies. These stakeholders are critical to the Company’s value creation and decision-making. To effectively engage with these diverse groups, we have implemented dynamic and strategic communication channels tailored to their specific needs, which ensure focused and effective engagement with these stakeholders.
- Schaeffler acknowledge stakeholders’ rights as defined by law or mutual agreements and promote active collaboration to build a sustainable organisation. We engage with internal and external stakeholders to develop our materiality matrix and define ESG governance factors.

Supplier Management

- Prioritise sustainability by actively managing ecological, social, and economic impacts within its Supplier network. Acknowledging challenges such as climate change and resource scarcity, the Company aims to achieve climate-neutral supply chains by 2040 through strengthened collaboration with suppliers and the promotion of sustainable practices within their organisations.
- Emphasise sustainable sourcing by ensuring clear communication of terms, conditions, and delivery requirements with our suppliers to foster transparency and responsibility.

Employee Welfare

- Our business performance is a result of the dedication and passion of our employees. We focus on improving well-being of our employees through our various initiatives.
- Schaeffler conducts regular Employee Townhalls, Open House meetings, Pulse Surveys, Kaffeeklatsch with CEO, Employee offsites to enhance employee participation in business and governance. Such initiatives also serve to keep employees well-informed about organisational updates, events, and key developments.
- Schaeffler engages with employees through one-on-one meetings, training sessions, and workshops to raise awareness about the business, including the organisation’s codes of conduct and core values.

Investor Engagement

- Schaeffler believes in transparent communication with our Shareholders and communicate with them periodically.
- Schaeffler engages with the investors through newspaper notices, investor and analyst meetings, earnings conference calls, press releases, Shareholders’ meetings, stock exchange announcements etc.
- Shareholders plant visits are organised at regular intervals. The plant visits allow Shareholders to see the operations of the Company and is an opportunity for direct engagement with the Company management.

Whistle Blower Policy

- A whistle blower policy is in place for stakeholders to raise concerns regarding violations and potential violations of our code of conduct and applicable laws without any fear of retaliation.



Governance



3. Disclosures and Transparency

Ownership Structure

- Shareholding structure (Schaeffler Group: 74.13%, public shareholding: 25.87%) is disclosed to the Stock Exchanges through quarterly filings, Annual Report and to the RBI as per the regulatory requirements. The Shareholder base as of CY2025 is of ~69,000 Shareholders.

Financial and Non-Financial Disclosures

- The Unaudited Financial Results are published on a quarterly basis and the Audited Financial results are published on an annual basis.
- Important highlights about the financials are informed to Shareholders on quarterly basis through e-mail.
- Policies focusing on highest standards of corporate governance, such as Whistle-blower, Insider Trading, Nomination and Remuneration, Risk Management, Dividend Distribution Policy etc. and are also published on the Company website at <https://www.schaeffler.co.in/en/investorrelations/corporate-governance/codesand-policies>.
- Material Related Party Transactions are disclosed with business rationale in the Annual Report.

Company Filings and Quarterly Disclosures

- Schaeffler prioritise transparent communication and timely dissemination of information to all stakeholders, fulfilling our statutory obligations and filings promptly to uphold accountability and trust.
- Video recordings and transcripts of the Shareholder meetings held virtually are made available on the Company website at <https://www.schaeffler.co.in/en/investor-relations/financials/conference-call-transcripts/>
- Public announcements, press releases, investor presentations, audio recordings and transcripts of analyst calls are filed with the Stock Exchanges and also made available on the Company website for investors’ view.

Risk Management

- Schaeffler has established a comprehensive and structured risk management system that supports the identification, reporting, assessment, mitigation, and monitoring of risks such as financial, operational, sectoral, ESG, strategy, cybersecurity risks etc. This multi-level process is reinforced by regular audits, awareness programs, and emergency preparedness initiatives to ensure effective risk control and organisational resilience.
- Risk Management Policy consisting of a risk framework is available on the Company website at <https://www.schaeffler.co.in/en/investor-relations/corporategovernance/codes-and-policies/>.

Transparent and Objective Disclosures

- An annual audit is conducted by an independent, competent, and qualified auditor in accordance with high-quality auditing standards to provide an external and objective assurance to the Board and Shareholders about the financial statements.
- Structured evaluation criteria are in place for selection of statutory auditors, which cover various aspects such as performance, independence, integrity, quality, skillset and experience amongst others. Appointment of the statutory auditors is approved by the Shareholders of the Company.
- The Audit Committee reviews the statutory auditors’ performance on a yearly basis.
- Schaeffler provides Shareholders with complete details of all Material Related Party Transactions when seeking their approval, ensuring full transparency.
- Through our press releases, we keep stakeholders informed about organisational developments, demonstrating our commitment to transparent business practices.

Dividend Distribution Policy

- A Dividend Distribution policy is in place to guide the Company’s dividend payouts each financial year. The Company endeavours to maintain a total dividend payout ratio in the range of 30% to 50% of the annual standalone PAT, as outlined in its published dividend distribution policy.



4. Responsibilities of the Board and Committees

Board as a Trustee

- The Board consists of distinguished professionals with diverse skills and experience. It operates with complete information, good faith, due diligence, and care, always prioritising the best interests of the Company and its Shareholders. The Board exercises independent and objective judgement in corporate matters.

As at the end of financial year, the Board comprises 38% Independent Directors. This underscores the Company’s commitment to maintaining Board independence and ensuring fair treatment of minority Shareholders’ interests.
- As a good governance practice to strengthen the independence of the Board, the roles of Chief Executive Officer and Chairperson are separated. The Chairperson is a woman Independent Director, while the CEO is an Executive Director. This structure aligns with discretionary regulatory requirements and promotes balanced and effective leadership.
- Independent Directors hold separate meetings, without Executive Directors or Senior Executives, to evaluate the Board’s overall performance.
- The Board reviews and provides guidance on corporate strategy, major plans of action, corporate governance, compliance framework, risk management policies and procedures, annual budgets, and business plans. The Board sets performance objectives, monitors its implementation and corporate performance.

Board and Committee Composition

- 5 (Five) Board-level committees have adopted charters defining the roles and duties of each Committee to support the Board in performing its functions.
- Committee mandate, composition and working procedures are well defined by the Board based on the specific skill requirements of each Committee.

Performance Review

- The Board regularly carries out evaluation to appraise its performance and assess whether it possesses the right mix of backgrounds and competences. Familiarisation and training programmes for Directors are conducted periodically, including plant visits, interactions with the Executive Leadership team, strategy meetings, and engagements with statutory auditors. These initiatives enable Directors, particularly Non-Executive Directors, to gain a comprehensive understanding of the Company’s operations.
- The Nomination and Remuneration Committee, along with the Board, conducts performance evaluations for the Board of Directors, its Committees and individual Directors. Directors are evaluated based on criteria such as attendance, preparedness for meetings, staying informed on relevant developments, active participation, and constructive contributions during discussions. Special emphasis is placed on their ability to protect the interests of all Shareholders and to engage with the management team thoughtfully challenging ideas without being confrontational or obstructive. The Board annually assesses the independence, integrity, expertise, and experience of Independent Directors to ensure these standards are met. Annual confirmations of independence are obtained from all Independent Directors to reaffirm their status and compliance with regulatory requirements.

Succession Planning

- The Board reviews and approves the adequacy of the Company’s policies, plans and procedures concerning succession planning in accordance with the recommendations of the Nomination and Remuneration Committee.

Board of Directors

Guided by excellence and expertise



E. V. Sumithasri
Chairwoman, Non-Executive & Independent Director

SRC **AC** **NRC** **RMC**

53 years

- Master’s degree in Computer Science and Engineering from University of Connecticut, USA.
- Bachelor’s degree in Computer Science from Visvesvaraya College of Engineering, India.

Experience

31+ years

Shareholding in Schaeffler India

50 Equity Shares



Arvind Balaji
Non-Executive & Independent Director

CSR **AC** **NRC**

51 years

- Bachelor’s degree in Mechanical Engineering from BITS Pilani.
- Master’s degree in Manufacturing System Engineering from Stanford University.
- MBA in Finance from Wharton School, University of Pennsylvania.

29+ years

Nil



Amit Kalyani¹
Non-Executive & Independent Director

NRC **AC** **CSR**

50 years

- Bachelor’s degree in Mechanical Engineering from Bucknell University, Pennsylvania, USA.
- Harvard Business School OPM graduate.

29+ years

Nil



N. V. Sivakumar
Non-Executive & Independent Director

AC **CSR** **NRC**

62 years

- Chartered Accountant from Institute of Chartered Accountants of India.
- Bachelor of Commerce from Loyola Academy Secunderabad, India.

Experience

41+ years

Shareholding in Schaeffler India

Nil



Jens Schüler
Non-Executive & Non-Independent Director

RMC **CSR**

50 years

- Economist from the Johannes Gutenberg University Mainz.

23+ years

Nil



Andreas Schick
Non-Executive & Non-Independent Director

RMC **AC**

55 years

- Automotive Engineering from the University of Munich.

31+ years

Nil

SRC Stakeholders Relationship Committee

AC Audit Committee

NRC Nomination & Remuneration Committee

CSR Corporate Social Responsibility Committee

RMC Risk Management Committee

Member

Chairperson

SRC Stakeholders Relationship Committee

AC Audit Committee

NRC Nomination & Remuneration Committee

CSR Corporate Social Responsibility Committee

RMC Risk Management Committee

Member

Chairperson

1. Amit Kalyani resigned from the position of directorship effective from end of business hours of July 23, 2025

Board of Directors

															
Dharmesh Arora¹ Non-Executive & Non-Independent Director				Maximilian Andreas Fiedler Non-Executive & Non-Independent Director				Harsha Kadam Managing Director & CEO Executive & Non-Independent Director				Hardevi Vazirani Director – Finance & CFO Executive & Non-Independent Director			
RMC NRC				RMC NRC CSR				RMC SRC CSR				AC RMC SRC			
59 years				39 years				60 years				58 years			
- Bachelor’s degree in Mechanical Engineering from University of Mumbai. - TRIUM Global Executive MBA degree from NYU Stern School of Business. - London School of Economics and HEC Paris.				- Bachelor of Science in International Business and Master of Science in International Business from the Maastricht University. - Master of Science in Corporate Finance from EDHEC Business School in Nice, France.				- Mechanical Engineering from Bangalore University. - PGDIM from Indra Gandhi Open National University. - Executive Management Programme from IIM Bangalore. - Executive Management Programme from National University of Singapore.				- Bachelor of Commerce degree from MS University, Vadodara. - Diploma in Business Management from ICFAI, Hyderabad. - Diploma in Computer Studies from NCC UK, Vadodara and Management Programs from INSEAD, IIM-Bangalore. - Certified Accounting Specialist, Accoalist Institute, Germany.			
Experience								Experience							
37+ years				21+ years				38+ years				35+ years			
Shareholding in Schaeffler India								Shareholding in Schaeffler India							
Nil				Nil				500 Equity Shares				Nil			

SRC

Stakeholders Relationship Committee

AC

Audit Committee

NRC

Nomination & Remuneration Committee

CSR

Corporate Social Responsibility Committee

RMC

Risk Management Committee

Member

Chairperson

SRC

Stakeholders Relationship Committee

AC

Audit Committee

NRC

Nomination & Remuneration Committee

CSR

Corporate Social Responsibility Committee

RMC

Risk Management Committee

Member

Chairperson

1. Dharmesh Arora resigned from the position of directorship effective from end of business hours of May 31, 2025.

Executive Leadership Team

Steering our way forward

Omkar Kulkarni
E-Mobility

Seshan Iyer
Bearings & Industrial
Solutions

Shibi Mathew
Human Resources & CSR

Harsha Kadam
Managing Director & CEO

Sharad Bhatia
Vehicle Lifetime Solutions

Madhurisha Vippatoori
Chief Technology Officer

Vinod Acharya
Purchasing

Hardevi Vazirani
Director – Finance & CFO

Viswanathan Sambasivam
Powertrain & Chassis

Sameer Mathur
Chief Operating Officer



Risk Management

Enterprise risk and resilience

Overview

In an environment shaped by macroeconomic variability, technology transition, supply chain reconfiguration, climate volatility, and regulatory complexity, resilience is engineered. In response to these multifaceted challenges, we have adopted a comprehensive approach to risk management that is embedded in governance, integrated with planning, and aligned to capital discipline. It safeguards continuity while enabling strategic growth.

The Risk Management System (RMS) of Schaeffler India Limited aims to establish an effective and efficient system that is fully embedded in the Schaeffler Group’s governance framework. The Risk Management System is integrated across all divisions, functions and plants of Schaeffler India Limited.

Governance framework

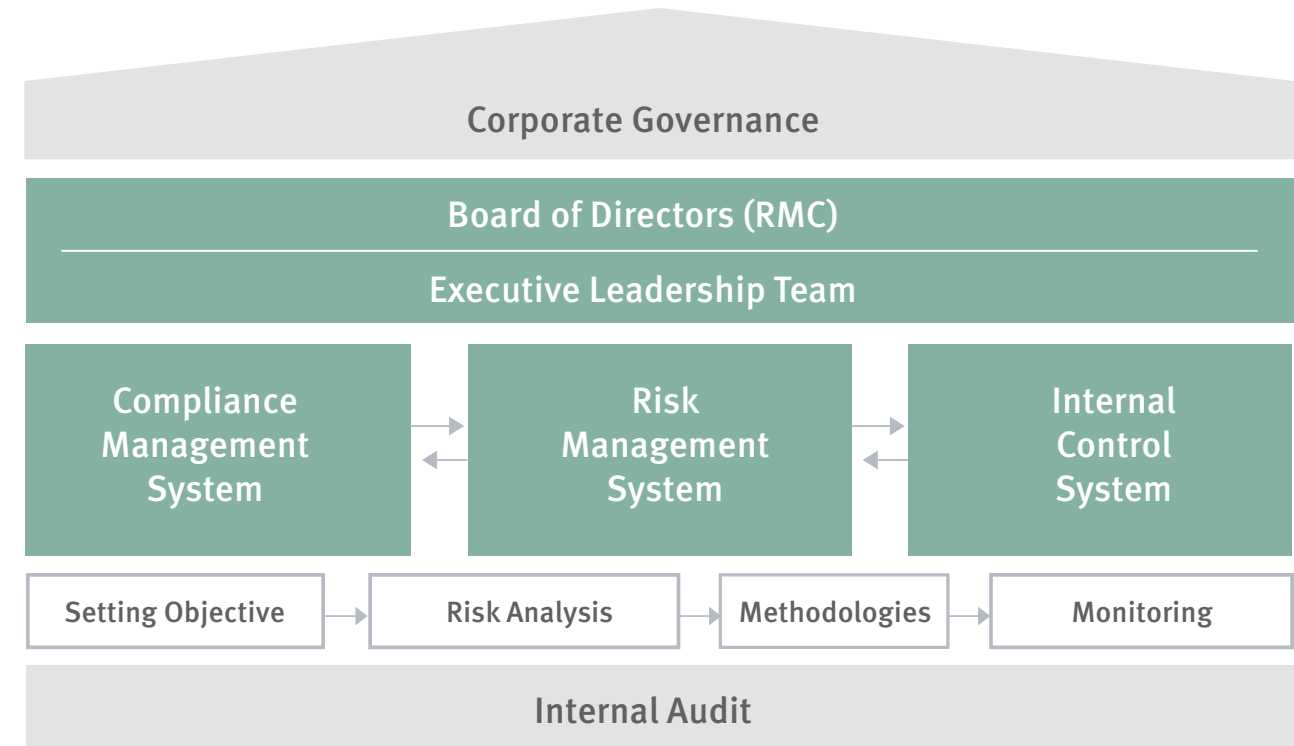
Our fundamental philosophy of corporate governance is to achieve business excellence and commit to enhancing long-term stakeholder value while considering the needs and interests of all its stakeholders. We believe that governance practices allow the management to efficiently direct and control the affairs of the Company, thereby achieving our goal of maximising value for all its stakeholders.

Risk Management is an integral part of our governance structure, with prudent and well-defined risk management practices and policies enabling businesses to protect the interests of all stakeholders. We have adopted a multi-layered process involving the entire organisation, right from the risk operators to the Board of Directors.

Risk management – an important constituent of corporate governance

The Risk Management System is embedded in our governance structure, aimed at coordinating the activities of the governance sub-systems subordinate to the Board of Directors, comprising the Compliance Management System, Risk Management System, Internal Control System and Internal Audit.

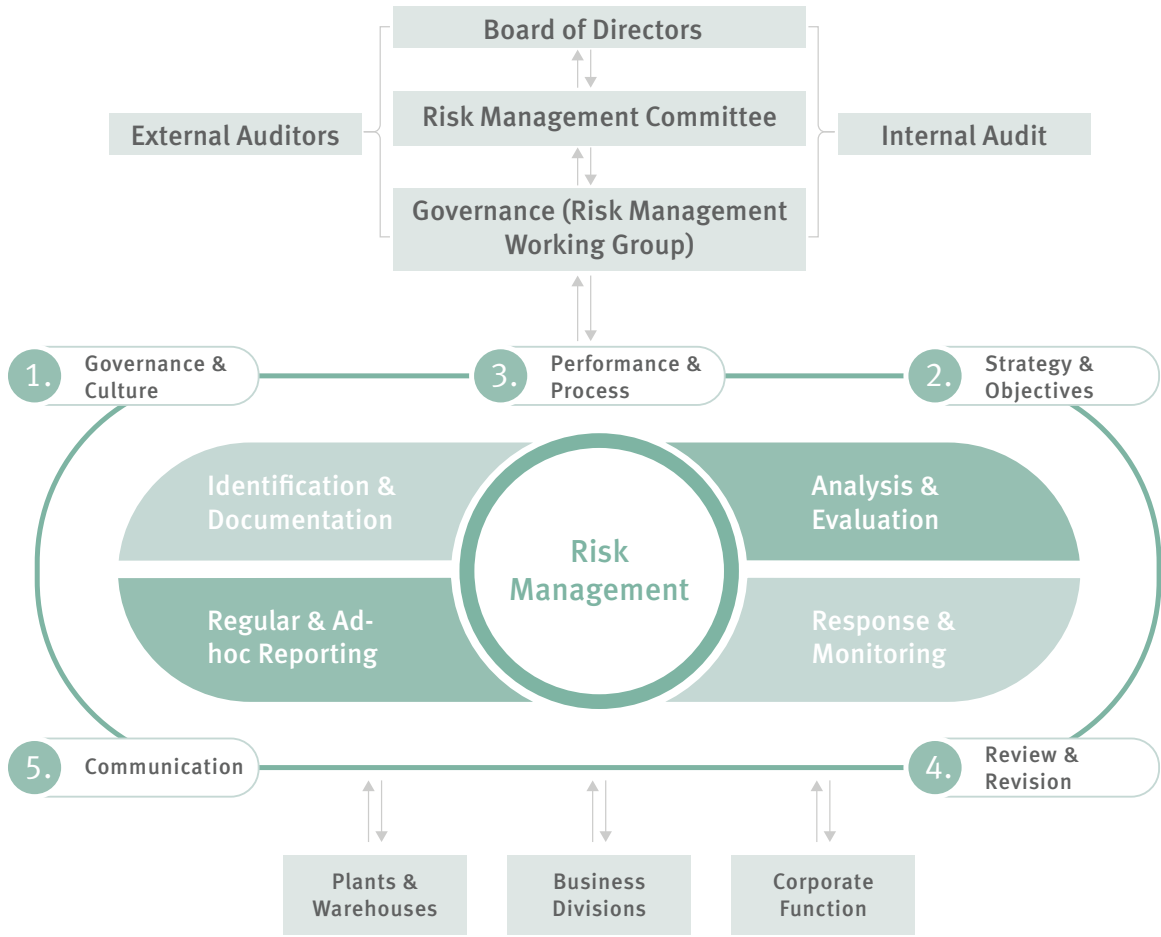
The Risk Management System (RMS) operates in integrated coordination with the Internal Control System (ICS), the Compliance Management System (CMS) and Internal Audit



Risk management system

The organisation is exposed to many potential risks that can adversely affect its business operations. The Risk Management System (RMS) identifies these risks on a timely basis and manages them in accordance with its risk strategy. Identification and monitoring of risk factors increase risk awareness and ensures a continuous improvement process. Schaeffler India Limited’s continued existence as a going concern is supported by the implementation of the RMS.

It is a key management tool designed to use a continuous process to identify all opportunities and risks that are material to the success of the business. This enables the organisation to respond flexibly to changes, thereby maintaining and strengthening its competitiveness.

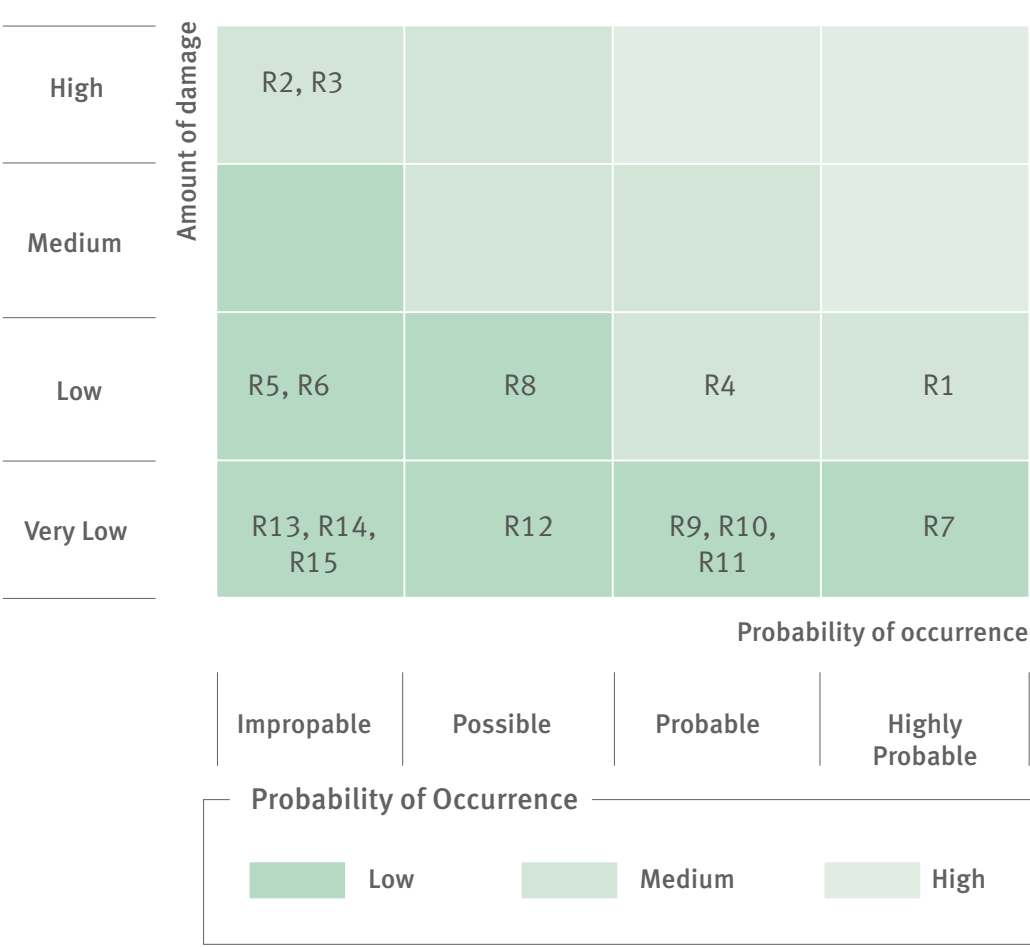


Risk Management

Risk assessment and risk matrix

We have established a Risk Management Working Group (RMWG) that serves as a key interface between the various functions and divisions of the Company and the Risk Management Committee of the Board. Our risk management framework employs both top-down and bottom-up approaches to comprehensively assess and manage risks. The risk assessment methodology incorporates a two-dimensional evaluation, considering both the potential impact (amount of damage) and the likelihood (probability) of occurrence.

The Schaeffler India-specific risk matrix forms the basis for internal reporting to the Risk Management Committee and for external reporting in the annual report. Reporting is based on the net assessment of risks, i.e. the assessed risks after taking measures into account. All medium and high net risks must be reported to the Risk Management Committee.



Net valuation under consideration of counter measures

Principal Risks and Mitigation Strategies

Risks are divided into strategic, operating, legal, and financial risks and are described in decreasing order of the magnitude of their impact on the net assets, financial position and earnings of the Company.

Strategic risks

1. Market share and technology transition

The automotive and industrial sectors are experiencing fundamental structural transformations driven by electrification, systems integration, pricing pressures, and accelerated innovation cycles. Inability to adapt to evolving platforms, meet cost expectations, or keep pace with technological advancements risks eroding competitive positioning.

Mitigation measures

Schaeffler India mitigates this exposure through early-stage customer integration and engineering collaborations. The Company increasingly participates upstream in platform development, enhancing design-in opportunities and long-term program visibility.

Localisation investments under national manufacturing initiatives improve cost competitiveness and reduce import dependence. The transition from a component supplier to a systems solution provider amplifies differentiation and strengthens strategic positioning. Given the pace of technological evolution, the net risk remains Medium.

Risk Level
MEDIUM
R1

2. Product piracy and brand integrity

The strong market presence and recognition of the INA, LuK, and FAG brands heighten their vulnerability to counterfeiting, which could adversely impact both revenue and brand reputation.

Mitigation measures

We safeguard our intellectual property through multi-layered product authentication systems, continuous digital anti-counterfeit enhancements, proactive market surveillance, and rigorous legal enforcement. Additionally, distributor engagement programs help mitigate vulnerabilities within the distribution channels. Brand protection is regarded as a long-term strategic investment integral to our business sustainability.

Risk Level
LOW
R13

Legal risks

1. Regulatory non-compliance may result in financial or reputational exposure

As a Company with operations across different locations it is exposed to evolving regulatory requirements that it must comply with. Failure to do so results in violations.

Mitigation measures

Schaeffler India maintains a comprehensive and structured Statutory Compliance Reporting System that systematically maps all regulatory obligations. Each compliance requirement is assigned to the respective process owner, who is supported by automated alerts and reminders to ensure timely adherence. The management conducts periodic reviews to monitor compliance status. Additionally, robust internal controls and audit oversight reinforce the assurance of regulatory compliance.

Risk Level
MEDIUM
R2

Risk Management

2. Pending legal proceeding

Pecuniary liability may arise if ongoing legal cases are decided against the Company.

Mitigation measures

Schaeffler proactively provisions for liability and litigation risks arising from damage claims, rights violations, and court proceedings. To mitigate these risks, the Company enforces strong legal compliance, uses clear contractual terms, favors mediation and arbitration, maintains insurance coverage, engages expert legal counsel, and implements robust internal controls. Continuous monitoring ensures timely management of ongoing legal matters.

Risk Level

LOW

R8

Operational risks

1. Fire and infrastructure risk

We operate capital-intensive manufacturing facilities where uninterrupted production is critical to earning stability and customer supply commitments. Fire incidents, infrastructure failures, or structural damage could risk in production stoppage, supply chain disruption, asset impairment, business interruption losses, and customer confidence erosion.

Mitigation measures

Structured Fire Protection KPIs assess structural, technical, and organisational preparedness. Facilities are advanced detection and suppression systems. Periodic audits reinforce compliance. Crisis management team and emergency response frameworks further reduce exposure. Fire prevention protocols, safety audits, and business interruption insurance further contain impact. Despite safeguards, inherent exposure keeps risk at Medium.

Risk Level

MEDIUM

R3

2. Production continuity and capacity utilisation

Capital-intensive manufacturing structures create fixed cost exposure. Under-utilisation or operational disruption due to force majeure could impact profitability and supply reliability.

Mitigation measures

Demand-aligned production planning, cross-location manufacturing flexibility within the Schaeffler Group, and structured contingency sourcing reduce vulnerability.

Risk Level

MEDIUM

R4

3. Receivable default

Customer default is a situation where the customer does not meet their payment commitments, impacting on the cash flow and increasing credit risk. Managing defaults is critical for maintaining financial health in businesses.

Mitigation and structural response

Strict internal controls, ongoing regular reviews, and efficient credit management practices are implemented to effectively monitor, control, and minimise customer default risk.

Risk Level

LOW

R5

4. Procurement and supply chain volatility

Procurement risks arise mainly due to raw materials price fluctuations, especially prices of energy, steel, and input costs, along with supply chain disruptions. These adverse fluctuations could affect the Company’s financial position, earnings, and continuity.

Mitigation measures

Multi-sourcing, localisation, and supplier financial monitoring, forward buying option selected cases, and structured negotiation processes enhance supply resilience. Improved diversification and monitoring have reduced net risk to Low.

Risk Level

LOW

R6

5. Climate-related risk

Extreme weather events, floods, heat stress, and water scarcity pose increasing operational risks. Risk identification is aligned with Intergovernmental Panel on Climate Change (IPCC) SSP5-8.5 environmental and climate scenario modelling across operational and critical supplier locations.

Mitigation measures

Environmental management systems, infrastructure resilience investments, supplier location mapping, and insurance coverage reduce potential financial impact. Energy-efficiency and decarbonisation initiatives mitigate transition and regulatory exposure. Given the systemic nature of climate volatility.

Risk Level

LOW

R10

6. Warranty and liability risks

Quality lapses, such as substandard products or defective components, can lead to recalls and unplanned repairs. These issues may give rise to liability claims, increased warranty costs, and significant reputational damage.

Mitigation measures

Schaeffler India adheres to certified quality management systems and enforces rigorous production discipline, continuously enhancing processes to minimise warranty and liability risks. Additionally, all product and recall liability exposures are comprehensively insured.

Risk Level

LOW

R12

7. Information Technology (IT) risks & Cyber security risks

Reliance on IT systems exposes the Company to risks including unauthorised access, system disruptions, and data breaches. The increasing threat of cyber attacks poses significant risks to intellectual property and business continuity, potentially affecting Schaeffler’s financial position and reputation.

Mitigation measures

Schaeffler India continuously enhances its IT security and conducts regular employee training to ensure secure data backups and system availability, thereby maintaining a low net risk. Our cybersecurity framework includes a Security Operations Centre (SOC), robust network architecture, layered controls, and ongoing training to effectively manage and respond to threats. Despite the inherent risks in the digital economy, our net exposure remains low.

Risk Level

LOW

R14

Risk Management

Financial risks

1. Currency risks Schaeffler India is exposed to currency risks due to its cross-border transactions. The largest currency risks from operations result from fluctuations in the USD and Euro exchange rates. Mitigation measures Schaeffler India has ₹-based inter-company invoicing currency with German entities. This leads to substantial reduction in its foreign exchange exposure and effectively mitigating the impact of currency volatility. Additionally, we have a structured hedging strategy to counter currency risks. The strategy is followed consistently and reviewed periodically. Monitoring overall FX development closely and revisiting its FX strategy on periodic basis ensures alignment with current market conditions.	Risk Level LOW R7
2. Liquidity risks Liquidity constraints could affect operational stability. Mitigation measures Schaeffler India has implemented several measures to mitigate risks related to liquidity management. These include rolling 12-month liquidity forecasting, stringent working capital controls, and a robust credit control mechanism to ensure timely collections and prevent receivable losses. Additionally, credit insurance is utilised to minimise credit risk, thereby enhancing the overall management of liquidity risk.	Risk Level LOW R9
3. Tax risks Schaeffler India is subject to taxation, and interpretations of tax laws or relevant facts during current or future tax audits may differ from the Company’s own assessments. Such differences could result in adjustments to the taxable base and an increase in tax liabilities. Any additional tax payments arising from these adjustments may have an impact on the financial position. Mitigation measures Schaeffler India extensively evaluates Corporate Tax & International Tax laws, both internally and with external tax experts, before implementing in the Company. The implementation strategy is well documented, reviewed periodically, and amended as necessary.	Risk Level LOW R15
4. Retirement benefits risks The harmonisation of the regulatory frameworks around labour code aimed to facilitate ease of doing business by streamlining administrative processes, enhancing transparency, and establishing a more efficient regulatory framework. Mitigation measures Redefining salary structure, Employee-level option for structure change, review of contracted employee framework, validating process of full and final settlement of exiting employees.	Risk Level LOW R11

Awards

Celebrating achievements

Partner Level Award from John Deere, 9th time in a row	Best Supplier Certificate from Voith Turbo Pvt. Ltd.
Production Development Award from Mahindra & Mahindra Ltd.	Key Development Partner Award from RSB Transmission India Ltd.
Best Supplier Award from Alstom Transport India Ltd.	Excellence in Delivery, Quality and Cost from Honda Cars India
Best Supplier Award from Eicher Motors Limited	Best Quality Export Parts Award from Escorts Kubota Limited
Sustainability Award from ZF India Pvt. Ltd.	Certificate for Timely Component Supply from Mahindra & Mahindra Ltd.
Zero PPM Award from Toyota Kirloskar Auto Parts	Kaizen Productivity Award from Honda Cars India
Zero Defect Supplies Recognition from Tractors and Farm Equipment Limited (TAFE) for the second consecutive year	Zero PPM Award from Toyota Industries Engine India
Quality and Safety Award from Aisin Toyota Group	Best Water Preservation Award from Global CSR and ESG Awards, New Delhi for project Jal Samruddhi
Excellence in Water Management from CII National Awards under “Beyond the Fence” category	Best Water Conservation Award from CSR Universe Climate Action and Sustainability Awards, New Delhi for project Jal Samruddhi
Excellence in D&I and Women Empowerment from ASSOCHAM, Hyderabad for women skill development and Nitara	Doing good for Women & Inclusion, Employability & Livelihood from Doing Good for Bharat Awards for second consecutive year

Corporate Information

Board of Directors		Auditors	M/s. Walker ChandioK & Co LLP, Chartered Accountants
Chairwoman	Eranti V. Sumithasri	Collaborators	Schaeffler Group, Germany
Managing Director & CEO	Harsha Kadam		
Director – Finance & CFO	Hardevi Vazirani	Registered & Corporate office	15 th Floor, Amar Sadanand Tech Park (ASTP), Baner, Pune 411045, Maharashtra, India
Directors	Arvind Balaji		
	N. V. Sivakumar		
	Andreas Schick ¹		
	Jens Schüler		
	Maximilian Andreas Fiedler		
	Dharmesh Arora ²		
	Amit Kalyani ²		
Company Secretary	Ashish Tiwari		
Bankers	ICICI Bank Limited	JP Morgan Chase Bank N.A.	
	Deutsche Bank AG	Citibank N.A	
Manufacturing plants	1. P.O. Maneja, Vadodara 390013, Gujarat, India 2. Plat No. 1 (Alindra), Savli GIDC Phase III, Taluka: Savli, District Vadodara 391775, Gujarat, India 3. Plat No. A-3 Talegaon industrial & Floriculture Park, Village Ambi, Navalakh Umbre, Tal. Maval, Talegaon Dabhade, District Pune 410507, Maharashtra, India 4. Survey No. 950, Royakottah Road, Hosur, District Krishnagiri 635109, Tamil Nadu, India 5. Plot No. 29 SIPCOT Industrial Park, Phase IV, Tal. Shoolagiri, Nallaganakothapalli, Krishnagiri 635117, Tamil Nadu, India		
Sales offices	Navi Mumbai Bengaluru Chennai Gurugram Kolkata		

1. Resigned from the position of Director of the Company effective from close of business hours of March 31, 2026
2. Dharmesh Arora Resigned from the position of Director of the Company effective from close of business hours of May 31, 2025. Amit Kalyani Resigned from the position of Director of the Company effective from close of business hours of July 23, 2025.

Management Discussion and Analysis (MD&A)

Executive Context

1. Executive context

FY2025 unfolded in an environment defined more by divergence than synchronised recovery. While headline macro indicators pointed to stabilisation after years of inflation shocks, supply chain disruptions, and policy tightening, the quality of growth and the allocation of capital remained uneven across geographies and sectors.

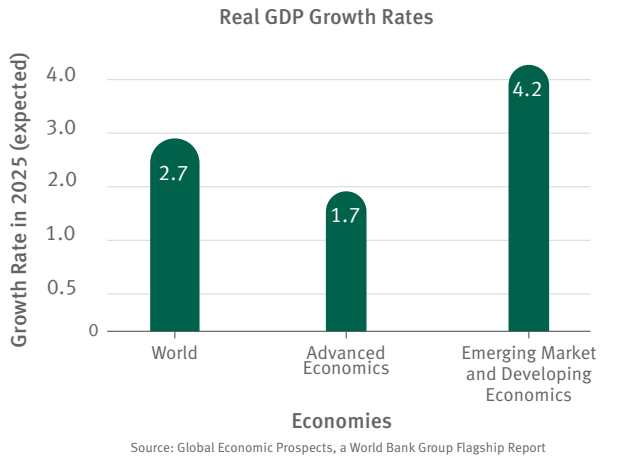
For engineering-led industries, this mattered because investment decisions were driven by long-duration themes rather than near-term cyclicity. Electrification, renewable power, industrial automation, and supply chain localisation became structural magnets for capital, policy attention, and technology roadmaps. Motion technologies sit at the intersection of these shifts. They enable efficiency, reliability, energy conversion, and system integration across vehicles, factories, railways, and renewable assets.

Against this backdrop, India’s macro trajectory remained a standout. India portrayed scale and resilience, driven by public investment, strong demand, and better manufacturing policies. This divergence from global growth patterns strengthened India’s relevance not only as an end market, but as a production and engineering hub. For Schaeffler India Limited, the year was therefore less about navigating uncertainty alone and more about translating a structural opportunity into disciplined execution– building capacity, deepening localisation, protecting service levels, and strengthening portfolio balance. The Company’s strategic positioning as The Motion Technology Company is reflected in how it invests, how it allocates resources across end-markets, and how it manages risk through portfolio design rather than reactive cost action.

2. Macroeconomic environment

2.1 Global economy

According to the World Bank, global growth in 2025 averaged 2.7%, shaped by offsetting forces like trade policy headwinds on one side and the fading impact of monetary easing, fiscal support, and technology investments on the other. While the post-pandemic recovery was strong, it remained uneven and came at the cost of elevated inflation and debt.



Inflation moderated across most economies, moving closer to central bank targets, with interest rates beginning to decline. Growth in advanced economies proved resilient despite rising trade tensions and policy uncertainty. However, the outlook ahead is expected to be tempered by the lingering effects of tariff hikes and heightened vulnerability to shifts in trade and fiscal policies.

The United States benefited from relative demand resilience and investment in advanced manufacturing and technology, while Europe faced persistent industrial softness amid energy transition costs and external demand constraints. For industrial supply chains, this environment translated into more selective capital flows and a higher premium on reliability, quality execution, and localisation especially for components and systems tied to electrification and efficiency improvements.

Global economic conditions in 2025 presented a mix of downsides and upsides. Trade tensions, tighter financial conditions, heightened geopolitical stress, and the risks of natural disasters. At the same time, private sector adaptation helped reduce the drag from higher trade barriers, while technology led investments supported productivity gains. Against this backdrop, key global challenges remain – diversifying trade partnerships amid rising frictions and responding effectively to changing climate patterns and extreme weather events.

2.2 Indian economy

The Reserve Bank of India revised its GDP growth forecast for FY2025-26 upward to 7.4% from the earlier estimate of 6.8%, reflecting robust domestic demand, rationalisation of income and goods and services taxes, softer crude oil prices, and the front loading of government capital expenditure. India continues to stand out as one of the world’s fastest growing major economies, well positioned to sustain this momentum. While global growth remained steady but below historical averages, India’s growth profile continued to be supported by infrastructure spending, services strength, and steady manufacturing activity creating a structurally attractive environment for engineering-intensive companies.

A defining feature of India’s policy landscape has been the deliberate use of public capital expenditure as an economic engine. Central government capex has expanded materially over the past five years. Union Budget cycle indicate that capex levels rose from roughly ₹4.5 lakh crore in FY2021 to ~₹11.2 lakh crore for FY2025–26 (with revised estimates discussed in the FY2026–27 budget context). This creates demand visibility for railways, roads, energy, defence and manufacturing-linked sectors. Importantly, capex-led growth supports downstream ecosystems such as improvement in logistics efficiency and increased industrial utilisation. This means a broader and more stable set of end-demand drivers beyond vehicle production cycles alone.

Policy continuity has also supported manufacturing competitiveness through Production Linked Incentive (PLI) schemes and localisation incentives. Manufacturing

Corporate overview
Year 2025
Strategy
Business review
ESG
Statutory reports
Financial statements
Notice

PMI readings remained in expansionary territory for much of 2025, signalling stable production conditions. For companies with deep engineering capability, localisation is no longer only a cost advantage; it is a resilience advantage. It reduces exposure to cross-border logistics volatility, shortens response time for customers, and improves the ability to scale programs with tighter timelines. Beyond domestic growth drivers, India’s external trade architecture is also evolving. The conclusion of negotiations for the India–EU Free Trade Agreement marks a defining milestone in deepening market integration between India and European Union. For engineering-intensive companies, this partnership is expected to expand access to advanced markets, align standards, and create new opportunities in automotive, industrial, and energy value chains. As India strengthens its role in global supply networks, Schaeffler India’s localisation and capacity investments are positioned not only as resilience enablers but to open access to global opportunities.

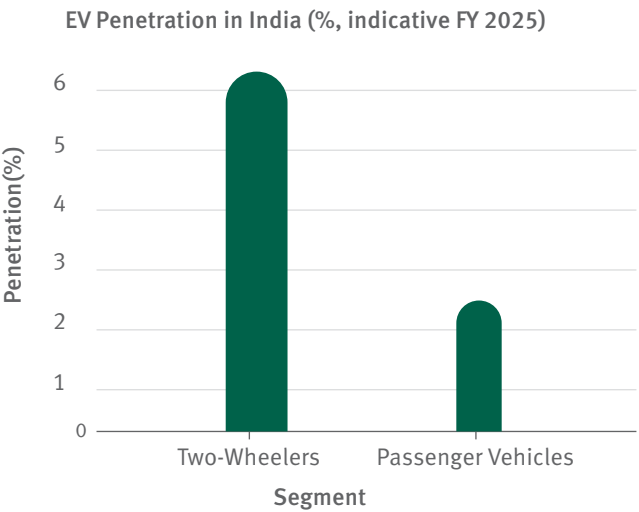
For Schaeffler India, the strategic relevance of the automotive cycle lies in the engineering roadmap. As customers pivot to hybrid, electrified, and efficiency-optimised platforms, the Company’s positioning is strengthened by its ability to bring global platform expertise into India and localise manufacturing. This is particularly critical as OEMs demand tighter localisation, faster program launches, and predictable quality performance. The Company’s investments and capacity actions during the year are consistent with this shift – engineering and industrialisation capability becomes a prerequisite to win and execute programs, not merely a differentiator in the sales cycle.

3. Industry overview

3.1 Automotive industry

India’s automotive industry in FY2025 reflected a normalisation pattern – certain segments moderated after strong growth in the earlier recovery phase, while structural drivers continued to reshape platform requirements. Passenger vehicles remained supported by a GST moderation, SUV-led mix, urban consumption resilience, and expanding model portfolios. Two-wheelers showed gradual recovery, with rural demand sensitivity influenced by income cycles and financing conditions. Commercial vehicles moderated in line with freight cycle normalisation.

Electrification added another layer of complexity. While internal combustion engine platforms remain dominant in absolute volumes, electrification penetration continues to increase in specific pockets particularly in two-wheelers and certain passenger vehicle categories. In Electric Passenger Vehicles, while battery electric vehicles (BEVs) are seeing adoption, hybrid electric vehicles (HEVs) and plug-in hybrids (PHEVs) have seen a resurgence due to their ability to offer immediate emission reductions without relying on extensive, yet-to-be-developed charging infrastructure. For Schaeffler India, the strategic relevance of the automotive cycle lies in the engineering roadmap. As customers pivot to hybrid, electrified, and efficiency-optimised platforms, the Company’s positioning is strengthened by its ability to bring global platform expertise into India and localise manufacturing. This is particularly critical as OEMs demand tighter localisation, faster program launches, and predictable quality performance. The Company’s investments and capacity actions during the year are consistent with this shift – engineering and industrialisation capability becomes a prerequisite to win and execute programs, not merely a differentiator in the sales cycle.



Sources: SIAM (industry publications); International Energy Agency (IEA) EV outlook and country indicators (India).

Emerging trends

The automotive industry is undergoing a transformative shift, led by the rapid adoption of electric vehicles. Rising consumer demand for sustainable mobility, regulatory pressures to reduce carbon emissions, and advancements in battery technology are accelerating this transition. New opportunities for collaboration are emerging as battery manufacturing hubs take shape in regions such as Europe and the U.S., reshaping traditional supply chains and spurring investments in critical resources like lithium and cobalt. At the same time, Industry 4.0 technologies including Artificial Intelligence, Machine Learning, IoT, and robotics are redefining manufacturing processes, enhancing productivity, reducing costs, and enabling new business models centered on smart factories and connected vehicles.

Challenges

Despite these opportunities, India’s automotive sector faces structural challenges. Although the country is the fourth largest automobile producer globally, its share in the \$20 billion global automotive component trade remains modest at around 3%, with particularly low representation in high precision segments such as engine components, drive transmission, and steering systems. Operational costs, infrastructural gaps, moderate integration into global value chains, and limited R&D expenditure continue to constrain competitiveness. Addressing these challenges will be critical for India to strengthen its position in the global automotive ecosystem and fully leverage the opportunities presented by electrification and digital transformation.

Vision 2030

NITI Aayog has outlined an ambitious yet achievable vision for India’s automotive sector by 2030. The roadmap projects automotive component production expanding to \$145 billion, with exports tripling from \$20 billion to \$60 billion. This trajectory would generate a trade surplus of nearly \$25 billion and significantly increase India’s share in the global automotive value chain from 3% to 8%. Beyond economic gains, this growth is expected to create 2.5 million new jobs, raising total direct employment in the sector to between 3–4 million, thereby reinforcing the sector’s role as a driver of industrial growth and social progress.

Vehicle Lifetime Solutions

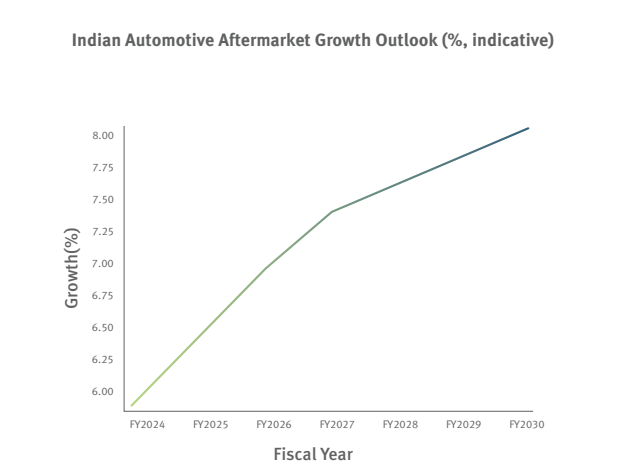
The Indian automotive aftermarket remains structurally attractive and comparatively resilient across economic cycles. Industry research has estimated long-term growth in the mid-to-high single digits, supported by an expanding vehicle parc, increasing average vehicle age, rising utilisation in multiple segments, and a growing preference for cost-efficient maintenance.

Over time, the market is also formalising, with organised distribution channels increasing penetration. Consumers are showing a greater willingness to adopt branded, quality-assured components, and digital integration is becoming more common in parts procurement and service workflows.

Lifecycle businesses carry strategic importance beyond revenue contribution. They provide stability when original equipment cycles moderate, they can support stronger and more stable margins due to value-added services and brand premium, and they deepen customer proximity. A meaningful lifecycle share of revenue improves predictability of cash flows and reduces concentration risk.

3.2 Industrial sector

Industrial demand during FY2025 remained supported by policy-backed investments and long-term structural trends. Automation adoption continued across manufacturing, reshaping industrial operations through advanced robotics, AI driven analytics, and IoT enabled systems. Industries leveraged these technologies to streamline production, enhance precision, reduce costs, and improve flexibility. The integration of smart automation not only boosted productivity but also strengthened resilience against supply chain disruptions, while enabling new business models centered on connected factories and data-driven decision making.



Export momentum remained strong in 2025, led by robust growth in engineering goods, pharmaceuticals, and chemicals, which collectively boosted overall export performance. Core industries displayed mixed but generally positive trends, with coal and refinery products contributing meaningfully to industrial output. Together, these factors underscored the resilience of India’s industrial base while highlighting the importance of sectoral diversification in sustaining growth.

3.2.1 Railways

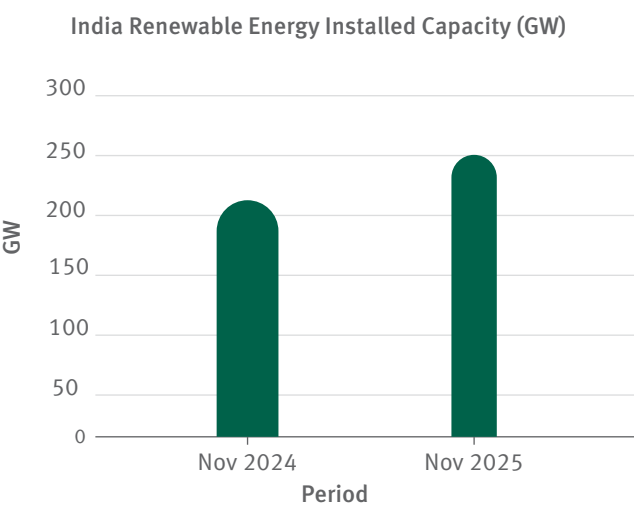
Indian Railways continued its transformation journey in becoming a world class network, which was guided by innovation and focused efforts. With a strong focus on modern infrastructure and enhanced connectivity, Indian Railways is fuelling national growth by offering better passenger experience and efficient transport solution.

Infrastructure expansion remained robust, with over 900 kilometers of new track commissioned between April and November 2025. Sectional speeds were raised to 130 kmph across 599 track kilometers and to 110 kmph across 4,069 kilometers, supported by advanced track machinery and upgrades across the Golden Quadrilateral, Golden Diagonal, and other key routes.

Electrification efforts advanced in mission mode, with 99.2% of the Broad-Gauge network now electrified well ahead of global peers such as the UK (39%), Russia (52%), and China (82%). 14 Railway Zones and 25 States/Union Territories have achieved 100% electrification, underscoring India’s leadership in sustainable rail operations. Complementing these achievements, increasing capacity of locos & coaches, quadruple tracking across high density lines, station redevelopment, enhanced safety systems, wider adoption of digital technologies, and expansion of freight corridors have reinforced Indian Railways as a key driver of national growth. Collectively, these initiatives are laying the foundation for a future-ready rail network that is faster, safer, greener, and more inclusive.

3.2.3 Two-wheelers

India’s two-wheeler sector witnessed a broad-based recovery in 2025, with total registrations crossing 2.02 crore units, about 7% higher than in 2024. This marks a sustained up-cycle and brings the sector close to pre-pandemic volumes. The GST 2.0 restructuring significantly improved affordability and has been a key driver of economic growth.



Source: Press Information Bureau (PIB) release on renewable energy capacity (Dec 29, 2025).

Electric two-wheelers emerged as structural driver, with volumes crossing 1.2 million units in 2025, registering ~21% year-on-year growth and accounting for nearly 58% of India’s total EV market. The industry now operates on a dual track model – ICE are generating profits which are used as an investment in EVs whereas EV focused OEMs are using software to drive revenue.

Seasonal factors also played a role, with November 2025 witnessing exceptional wholesale growth as OEMs stocked dealerships ahead of Diwali and allied festivals, followed by a natural moderation in December as dealers focused on retail sell-through and inventory correction. Looking ahead, the industry expects positive momentum to continue well into 2026, supported by stable macroeconomic conditions, moderated GST improving affordability, and sustained policy support. At the same time, close monitoring of geopolitical developments will remain critical to ensuring resilience in supply chains and export performance.

4. Business & financial overview

4.1 Automotive Technologies

The Automotive Technologies segment, which encompasses E-Mobility, Powertrain and Chassis divisions, continued to demonstrate robust growth during CY2025. The segment recorded a 24.6% year-on-year increase, driven by significant business wins in Passenger Vehicle Clutches and Dual Mass Flywheels. This segment contributed 33.4% of Schaeffler India’s total revenue in CY2025, underscoring its pivotal role in the Company’s overall performance and growth trajectory.

Localisation has remained a cornerstone of our strategy, enabling us to enhance competitiveness, strengthen supply chain resilience, and deliver greater value to customers. By leveraging local manufacturing capabilities and engineering expertise, we have been able to respond more effectively to evolving market demands. During the year, Schaeffler India inaugurated its e-axle production line at Talegaon Plant. This marked a structural shift from component manufacturing to system-level EV drive solutions.

Looking ahead, the Automotive Technologies segment is well-positioned to capitalise on opportunities in electrification and advanced mobility solutions. With a strong pipeline of innovative products and continued focus on localisation, we aim to reinforce our leadership in the automotive space.

4.2 Vehicle Lifetime Solutions

The Vehicle Lifetime Solutions segment contributed 12.1% of Schaeffler India’s revenue in CY2025. The division saw year-on-year growth of 12.2%, supported by continued volume wins from new product launches such as wipers, and steering & suspension components which remained strong contributors, reinforcing customer confidence in our aftermarket offerings.

A key highlight during the year was the launch of the automotive lube vending machine at the Maneja facility, which underscores our commitment to innovation. This initiative not only enhances accessibility but also strengthens our aftermarket service ecosystem. The segment maintained a strategic focus on portfolio expansion and deeper market penetration through range extensions, ensuring that customers have access to a wider variety of solutions tailored to evolving needs.

An important enabler has been our wholly-owned subsidiary Koovers, which has provided a significant advantage by expanding reach and improving distribution efficiency. Koovers’ digital platform has allowed us to connect more effectively with workshops and mechanics, thereby strengthening customer engagement and ensuring faster delivery of parts and solutions.

Looking ahead, Vehicle Lifetime Solutions will continue to build on these foundations, leveraging innovation, partnerships, and range expansion to drive sustainable growth and reinforce Schaeffler’s position in the aftermarket space.

4.3 Bearings & Industrial Solutions

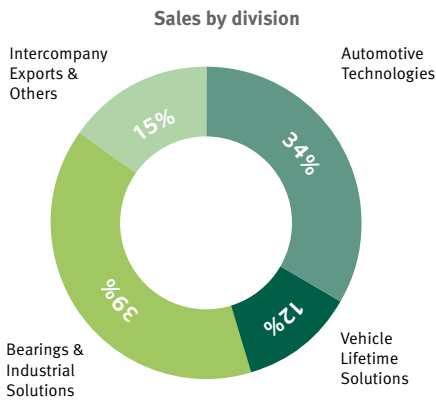
The Bearings & Industrial Solutions segment contributed 39.2% of Schaeffler India’s revenue in CY2025, reaffirming its position as a strong business pillar. The segment delivered a 6.4% year-on-year growth, supported by new business wins in Deep Groove Ball Bearings and Needle Roller Bearings within the two-wheeler segment.

Further momentum was achieved through business nominations for needle bearings and lift mast rollers in the off-road segment, strengthening our presence in specialised applications and expanding our customer base.

During the year, we inaugurated the Robotic Process Automation & Benchmarking Lab at the Maneja facility in Vadodara, a milestone that enhances our capability in process efficiency, product benchmarking, and innovation. This initiative underscores our commitment to leveraging technology for operational excellence.

Engagement with channel partners remained a priority, highlighted by the Distributor Meet held in Goa, which provided a platform to reinforce relationships, share strategic updates, and align on future growth opportunities.

Looking ahead, Bearings & Industrial Solutions will continue to focus on expanding its product portfolio, deepening customer partnerships, deepening localisation, and driving innovation to sustain its leadership position in the industrial solutions space.



Cautionary statement: The Management Discussion and Analysis contain forward-looking statements based on management’s current expectations and assumptions.

Actual results may differ due to economic conditions, industry dynamics, regulatory developments, competitive pressures, and other factors beyond the Company’s control.

Business Responsibility and Sustainability Report

Section A: General Disclosures

Details of the listed entity

1. Corporate Identity Number (CIN) of the listed entity

L29130PN1962PLC204515
2. Name of the listed entity

Schaeffler India Limited
3. Year of incorporation

April 27, 1962
4. Registered office address

15th Floor, Amar Sadanand Tech Park (ASTP), Baner, Pune, Maharashtra, India, 411045
5. Corporate address

15th Floor, Amar Sadanand Tech Park (ASTP), Baner, Pune, Maharashtra, India, 411045
6. E-mail

Bearings and Industrial Solutions

:

info.in@schaeffler.com

Automotive Technologies and Vehicle Lifetime Solutions

:

aftermarket@schaeffler.com

Media

:

akanksha.lal@schaeffler.com

Retail Investors

:

investorsupport.in@schaeffler.com

Institutional Investors

:

ir.india@schaeffler.com
7. Telephone

91-20-68198400
8. Website

www.schaeffler.co.in
9. Financial year for which reporting is being done

January 1, 2025 to December 31, 2025
10. Name of the stock exchange(s) where shares are listed

1) Bombay Stock Exchange Limited (BSE)

2) National Stock Exchange of India Limited (NSE)
11. Paid-up capital

As on December 31, 2025, the paid-up capital of the Company stood at ₹312,607,340 consisting of 156,303,670 number of equity shares of ₹2/- each.
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

Name

:

Neelam Darekar, Sustainability Reporting

Telephone

:

+91-20-68198400

E-mail

:

Neelam.darekar@schaeffler.com
13. Reporting boundary: Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

The disclosures under this report are made on a standalone basis (i.e. only for Schaeffler India Limited)

Reporting boundary includes five plants viz Maneja, Savli, Hosur and Talegaon, Shoolagiri (date of commencement of Shoolagiri is August 2025), and one Registered/Corporate office at Pune and five regional/sales offices.

To ensure consistency and comparability of data between the current year and previous year, restatements are made in the comparative year. The relevant changes are highlighted as footnotes in the respective principles. The resulting changes are due to a change in the computation approach or methodology.
14. Name of assurance provider

BSI Group India Pvt. Ltd.
15. Type of assurance obtained

Reasonable assurance for BRSR core parameters

II. Products/services

16. Details of business activities (accounting for 90% of the turnover)

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1	Automotive Technologies	The Automotive Technologies division develops and manufactures innovative products, components, and systems solutions for engine, transmission, and chassis applications for ICE (Internal Combustion Engine), hybrid as well as electric powertrains.	33%
2	Bearings and Industrial Solutions	The Bearings and Industrial Solutions division offers a wide range of products that include ball and roller bearings, plain bearings, bearing housings and accessories, linear bearings, and ultra precision drives. It also offers lubrication products that include grease and oils, maintenance products that include a wide range of mounting and dismounting tools, and condition monitoring systems to customers across various industrial sectors. These products are distributed through direct sales channels as well as through a widespread network of certified distribution partners.	39%
3	Vehicle Lifetime Solutions	The Vehicle Lifetime Solutions business supplies components and holistic repair solutions for the automobile spare parts business under the leading brands of LuK, INA, and FAG. It offers comprehensive services to garages under the REPEXPERT brand to cater to the ever-changing customer needs.	12%
4	Intercompany Exports and Others	Intercompany Exports and Others mainly includes exports to Group companies (across regions of America, Asia Pacific, China, and Europe), scrap sales, and other operating income.	15%

17. Products/services sold by the entity (accounting for 90% of the entity’s turnover)

Sr. No.	Product/Service	NIC Code	% of Total Turnover Contribute
1	Bearings, engine and transmission products and solutions	28140	97%

Bearing and engine transmission product is common among all the below segments

(₹ in Million)			
Sr. No.	Segment	Turnover	% of Total Turnover Contribute
1	Mobility components and related solutions	72,564.4	77%
2	Others	21,388.8	23%
Total		93,953.2	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	5 ¹	5 ²	10
International	-	-	-

¹ Commissioned a new manufacturing plant at Shoolagiri, operational since Aug 2025.

² Offices in Jamshedpur and Secunderabad have been closed in 2025 to optimise operational efficiency.

19. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of states)	28 states and 8 union territories
International (No. of countries)	23

b. What is the contribution of exports as a percentage of the total turnover of the entity?

(₹ in Million)		
Particulars	Revenue	% of Total Turnover Contribute
Exports and others ¹	14,328.2	15%
Total revenue	93,953.2	100%

Note: ¹ Refer Q16 (4) for export details

c. A brief on types of customers

Schaeffler India serves a diverse customer base across multiple sectors, reflecting its versatile product and service portfolio serving customers in domestic as well as international markets which are broadly classified in 3 divisions.

- Automotive Technologies division serves customers in the passenger vehicle, commercial vehicle, tractor, and off-highway segments. We cater to key OEMs in the automotive industry. Includes:
 - Powertrain and Chassis division, develops and manufactures pioneering components and system solutions, for highly efficient powertrains and intelligent chassis systems, serving 2-wheelers, passenger cars, and commercial vehicles.
 - E-mobility division offers solutions for all types of electrified drive systems – from individual components to intelligent operating strategies, and complete drive systems.
- Bearing and Industrial Solutions division provides an extensive array of bearing solutions tailored to meet the unique needs of Renewables, Machinery & Materials, Transportation & Mobility, and Industrial Automation.
- Vehicle Lifetime Solutions division serves a diverse set of customers within the automotive sector like OES(OE Spares), independent aftermarket customers, fleet operators and dealerships, focusing on parts and comprehensive solutions that support vehicle longevity and reliability.

IV. Employees

20. Details as at the end of the Financial Year

a. Employees and workers (including differently abled):¹

	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees					
1. Permanent (D)	1,775	1,665	94%	110	6%
2. Other than permanent (E)	228	195	86%	33	14%
3. Total employees (D + E)	2,003	1,860	93%	143	7%
Workers					
4. Permanent (F)	1,345	1,320	98%	25	2%
5. Other than permanent (G)	3,021	2,768	92%	253	8%
6. Total workers (F + G)	4,366	4,088	94%	278	6%

b. Differently abled employees and workers

	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees					
1. Permanent (D)	3	3	100%	0	0%
2. Other than permanent (E)	0	0	0%	0	0%
3. Total employees (D + E)	3	3	100%	0	0%
Workers					
4. Permanent (F)	0	0	0%	0	0%
5. Other than permanent (G)	4	4	100%	0	0%
6. Total workers (F + G)	4	4	100%	0	0%

Allied services such as Canteen, Housekeeping, Security, Transportation, and Construction Workers are not included in the reported numbers.

21. Participation/inclusion/representation of women

	2025 Current Financial Year		
	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	7	2	29%
Key management personnel	3	1	33%

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	2025 (Turnover rate in current FY)			2024 (Turnover rate in Previous FY)			2023 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	14.1%	1.9%	6.1%	13.8%	2.2%	10.7%	6.5%	1.0%	4.2%
Permanent workers	2.7%	0.3%	2.8%	2.7%	0.3%	2.0%	4.1%	0.0%	2.3%

V. Holding, subsidiary, and associate companies (including joint ventures)

23. Names of holding/subsidiary/associate companies/joint ventures

Si. No.	Name of the holding/ subsidiary/associate company/ joint venture (A)	Indicate whether holding/ subsidiary/associate/ joint venture	% of shares held by listed entity	Does the entity indicated in column A, participate in the business responsibility initiatives of the listed entity? (Yes/No)
1	INA Holding Schaeffler GmbH & Co. KG, Germany	Ultimate holding company	Nil	No
2	KRSV Innovative Auto Solutions Private Limited	Subsidiary	100%	No

VI. CSR details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- (ii) Turnover (in ₹) ₹93,953.2 mn (as of December 31, 2025)
- (iii) Net worth (in ₹) ₹61,426.9 mn (as of December 31, 2025)

VII. Transparency and disclosures compliances

25. Complaints/grievances on any of the Principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaints are received	Grievance redressal mechanism in place (Yes/No) (If Yes, provide web link for grievance redressal policy)	2025 Current Financial Year			2024 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Schaeffler India has a community feedback mechanism for CSR projects. Individuals or groups can report grievances during the annual feedback exercise or as needed. Grievance redressal channels include: https://www.schaeffler.co.in/en/meta/contact/	Nil	Nil		Nil	Nil	
Investors (other than Shareholders)	Yes All investors are Shareholders. Other disclosures Schaeffler India Please refer to the link for shareholding pattern. Shareholding pattern Schaeffler India https://www.schaeffler.co.in/en/investor-relations/disclosures/other-disclosures/ https://www.schaeffler.co.in/en/meta/contact/	Nil	Nil		Nil	Nil	

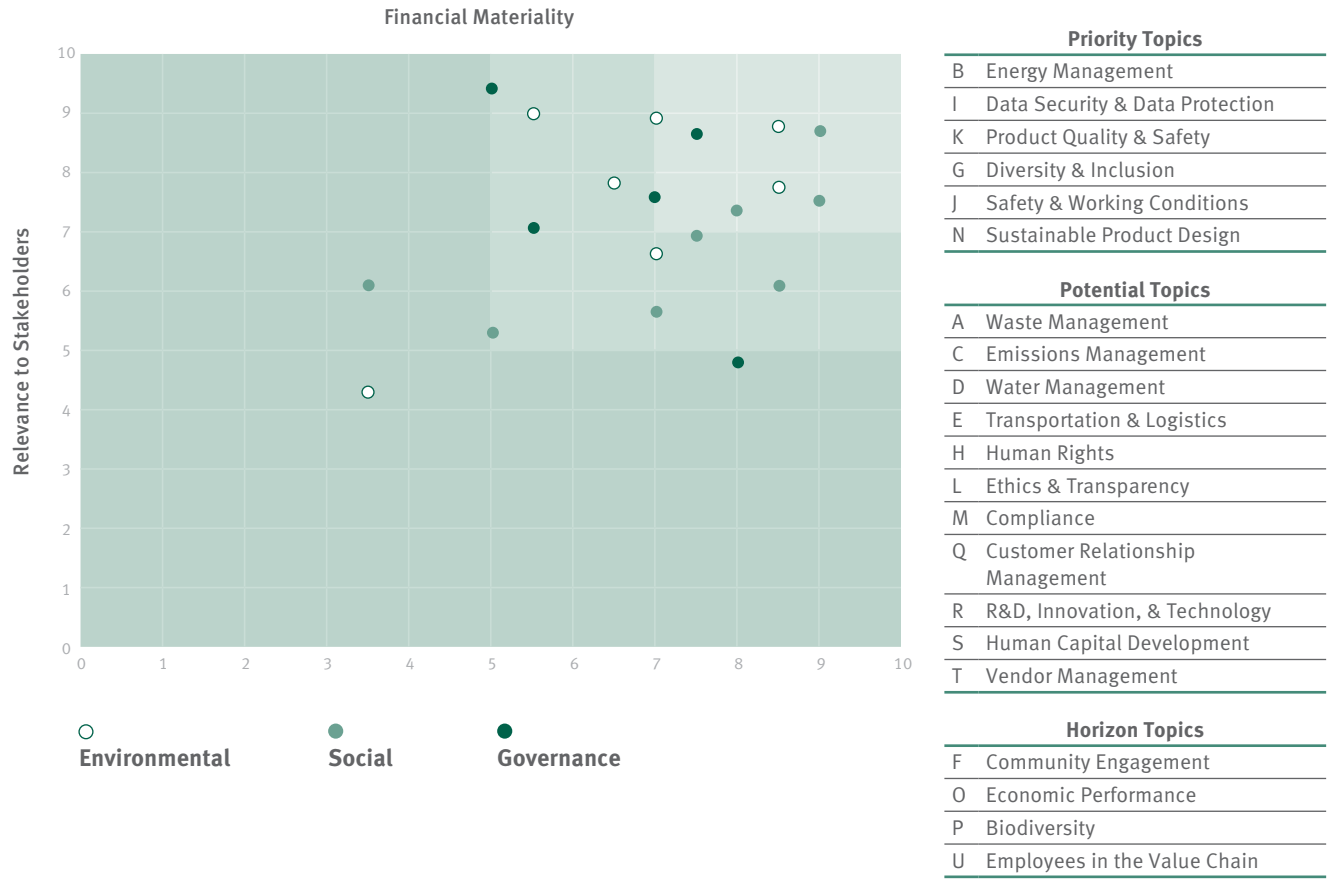
Stakeholder group from whom complaints are received	Grievance redressal mechanism in place (Yes/No) (If Yes, provide web link for grievance redressal policy)	2025 Current Financial Year			2024 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Shareholders	Yes https://www.schaeffler.co.in/en/investor-relations/disclosures/other-disclosures/ The Shareholders can file a complaint on SEBI SCORES. The Shareholders can reach out to the Secretarial team at investorsupport.in@schaeffler.com for any grievances/queries. There is a Shareholders' Handbook for the guidance purpose. The same is available at: https://www.schaeffler.co.in/en/investor-relations/shareholders-information/shareholders-news/	11	Nil	These include complaints received through SEBI SCORES/ SMART ODR and stock exchanges	1	Nil	These include complaints received through SEBI SCORES and stock exchanges
Employees and workers	Yes Under the vigil mechanism employees can file complaints through: weo.india@schaeffler.com For POSH-related complaints: posh@schaeffler.com For compliance, human rights queries: complianceindia@schaeffler.com . Employees can file any complaint anonymously at: https://schaeffler.speakup.report/en-GB/speakup-line/phone-numbers Grievance redressal policy has a formal grievance redressal procedure, scope and objective. (Policy document is available on the Schaeffler Intranet)	182	16	No POSH complaints were received during the year	138	Nil	Including one POSH complaint
Customers	Yes Customers can file complaints on email IDs displayed on the website. - Key OEM customers have their portals for communicating their concerns. - SPOCs (Single Points of Contact) have been defined for each customer. - A dedicated customer care number is printed on our packaging (MRP stickers) for all products. - We also have an internal system of tracking these concerns through SAP based customer portal IQOS. info.in@schaeffler.com aftermarket@schaeffler.com https://www.schaeffler.co.in/en/meta/contact/	59 ¹	3 ²	¹ - Considered all justified zero km (CCO) complaints for the year ² - The number of complaints that have remained unresolved for more than six months is reported here, with delays justified by the (CCO) due to extended lead times required for corrective actions.	46 ¹	Nil ²	¹ - Considered all justified zero km (AF) complaints were considered for the year. ² - Number of complaints not closed for more than 6 months (AF-justified), rounded to the nearest digit.
Value chain partners	Yes The vigil mechanism and whistle-blower policies are available on the website, which covers value chain partners as well. Guidelines: https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/ Also covered through BPCoC (Business Partner Code of Conduct) investigations@schaeffler.com https://schaeffler.speakup.report/en-GB/speakup-line/phone-numbers	Nil	Nil		Nil	Nil	
Others (please specify)	Yes The Compliance Management System of the Schaeffler Group and the Company's Vigil Mechanism and Whistle-Blower Policy are effective tools for grievance redressal for both external stakeholders and employees. The policies are available on the Company's website. weo.india@schaeffler.com https://www.schaeffler.co.in/en/meta/contact/	9	2	Investigation is under progress for two cases	13	Nil	

26. Overview of the entity’s material responsible business conduct issues

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Emissions management	Risk and opportunity	High greenhouse gas (GHG) emissions pose several risks to the Company, including increased operational costs, regulatory compliance challenges, and reputational risks in a market with growing sustainability expectations. There is a potential risk arising from unmet stakeholder expectations regarding emissions management. Operational risks also include possible supply chain disruptions caused by climate change-related events. The Company depends on suppliers, primarily in the steel sector, to develop lower-carbon alternatives through research and development, which is critical for controlling the carbon footprint embedded in its products. Climate change presents both physical risks—such as acute and chronic impact on operations and the value chain—and transition risks, including technological changes, evolving market demands, and shifting policy landscapes.	Schaeffler recognizes the physical and transition risks of climate change over the short, medium, and long term. To address these risks, the Company is implementing measures to reduce greenhouse gas (GHG) emissions in the following areas: Direct emissions from its operations (Scope 1 and Scope 2). Indirect emissions within the supply chain (Scope 3). Additionally, Schaeffler actively engages with suppliers to identify and adopt sustainable alternatives that reduce emissions at the source. Since 2023, Schaeffler has adopted Science Based Targets initiative (SBTi)-validated climate targets aligned with the Paris Agreement’s goal to limit global warming. Following the merger with Vitesco Technologies, these targets are currently under review to ensure continued alignment and revalidation by the SBTi.	Negative financial implications include increased operational costs driven by carbon pricing mandates and regulatory compliance requirements, which enhance transition risks. An increase in weather events such as storms, floods, and heatwaves could have significant direct and indirect impact on our supply chain and operations, potentially disrupting production and affecting our ability to fulfill demand. Additionally, policy directions requiring low-carbon manufacturing may necessitate capital investments and operational changes. Failure to meet stakeholder expectations on emissions management could lead to reputational damage and loss of market share. On the positive side, investments in emissions reduction and sustainable technologies can lead to cost savings through improved energy efficiency, resource optimisation, and reduced carbon footprint. Developing low-carbon products and adopting greener supply chain practices open new market opportunities and strengthen relationships with sustainability-focused customers. Aligning with global climate targets, such as the Science Based Targets initiative (SBTi), enhances investor confidence, supports access to sustainable financing, and positions the Company for long-term resilience.
2	Sustainable product design	Opportunity and risk	Schaeffler India operates in the automotive and industrial segments where customers increasingly demand products that meet high standards of quality, safety, regulatory compliance, and environmental performance. Product quality and safety are critical to maintaining customer trust and long-term OEM relationships, while sustainable product design—through material efficiency, reduced environmental footprint, and end-of-life considerations—supports evolving regulatory requirements and customer sustainability expectations. Continuous R&D and technology-led innovation, aligned with Schaeffler Group’s global R&D agenda, enables the development of market-ready, safe, and sustainable products, strengthening competitiveness and supporting long-term growth.	Risks related to product failure, safety incidents, or non-compliance are mitigated through robust quality management systems, a strong safety and “zero-defect” culture, and group-wide product validation and approval processes. Sustainability considerations, including material compliance, reduced use of hazardous substances, and end-of-life (EoL) integration, are embedded in product design and development processes. Ongoing investments in R&D, innovation governance, and technology reviews ensure alignment with regulatory, customer, and Group sustainability requirements.	Positive financial implications include revenue growth through stronger OEM relationships, market access, and customer preference for safe and sustainable products; a pricing premium for high-performance and sustainable solutions; enhanced competitiveness driven by innovation; optimisation of lifecycle costs, contributing to sustained business value. Negative financial implications include incremental capital expenditure (capex) and operational expenditure (opex) related to R&D and design efforts; cost avoidance through the reduction of recalls, warranty claims, safety incidents, regulatory penalties, and reputational damage; and long-term value creation through innovation-led competitiveness and lifecycle cost optimisation.
3	Safety and working conditions	Risk	Schaeffler India’s manufacturing operations involve significant engagement of employees and contract workers on the shop floor. Any workplace accident, injury, or unsafe working condition can have serious implications for employee well-being, operational continuity, regulatory compliance, and reputation. While the nature of operations limits exposure to highly hazardous substances, lapses in safety practices or unsafe conditions could still result in injuries, downtime, and non-financial impacts that are not easily reversible. Therefore, occupational health and safety remains a critical risk area requiring continuous management focus.	The Company has established comprehensive occupational health and safety management systems, supported by both proactive and reactive controls. These include regular safety audits, training and awareness programmes, incident reporting mechanisms, and defined investigation and Root Cause Analysis (RCA) processes for any incident. Corrective and preventive actions are systematically implemented to reduce recurrence. Continuous monitoring and leadership oversight help ensure adherence to safety standards and improvement in workplace conditions.	Losses arising from workplace accidents—including medical expenses, compensation payments, regulatory penalties, litigation costs, increased insurance premiums, and production downtime—are minimised through the implementation of robust safety controls. Proactive safety management not only ensures operational continuity and protects human capital but also helps prevent reputational damage and reduces indirect costs linked to lost productivity and employee turnover.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Waste management	Opportunity	External stakeholders, including customers, regulators, and communities, increasingly expect manufacturers to adopt responsible and circular waste management practices, including reduction of hazardous waste and prevention of environmental contamination. Given Schaeffler India’s manufacturing footprint, effective waste management is material to meeting stakeholder expectations, regulatory compliance, and sustainability commitments. By focusing on waste reduction, reuse, and recycling, the Company is able to improve resource efficiency and support circular economy principles across its operations.	Cost optimisation through reduced waste disposal expenses and improved material efficiency; incremental revenue generation from the sale of recyclable waste streams (e.g., used oil, metal scrap); avoidance of regulatory penalties and environmental remediation costs. Strong waste management practices also support compliance, operational efficiency, and long-term sustainability performance.	Positive implications as it helps reduce the long-term risk of non-compliance.
5	Data security and data protection	Risk	Increasing digitalisation of enterprise systems, including ERP, order management, and customer-specific engineering data, makes data security and privacy critical for Schaeffler India. Any data breach or cyber incident could expose sensitive commercial, technical, or personal information, disrupt operations, lead to non-compliance with applicable data protection regulations, and impact long-term customer trust and OEM relationships. Protecting customer and proprietary data is therefore essential for business continuity and reputation.	Schaeffler India addresses data security risks through a robust IT governance framework, supported by Group-wide information security policies aligned with ISO/IEC 27001 and industry standards. Controls include access management, regular security reviews, cyber threat monitoring through a Security Operations Centre (SOC), periodic audits, and employee awareness and training programmes. Incident response mechanisms are in place to ensure timely detection, containment, and remediation of cyber incidents.	Avoidance of potential financial losses arising from data breaches, including regulatory penalties, litigation costs, system downtime, loss of customer trust, and reputational damage. Ongoing investments in IT security infrastructure and governance help protect critical data assets, ensure operational resilience, and support long-term customer relationships.

Note: Our priority material issues are identified, against which associated risks and opportunities are mapped.



Section B: Management and Process Disclosures

Si. No.	Disclosure question	1	2	3	4	5	6	7	8	9
										
	Ethical and transparent business conduct	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.	Businesses should provide goods and service in a manner that is sustainable and safe.	Businesses should respect and promote the well-being of all employees, including those in their value chains.	Businesses should respect the interests of and be responsive to all its stakeholders.	Businesses should respect and promote human rights.	Businesses should respect and make efforts to protect and restore the environment.	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	Businesses should promote inclusive growth and equitable development.	Businesses should engage with and provide value to their consumers in a responsible manner.
Policy and Management Processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Company policies are available on Schaeffler India official website. Also some policies and internal documents are available on the company intranet page. https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/								
2.	Whether the entity has translated the policy into procedures (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Yes, as per BSRM (Business Specific Requirement Matrix), we extend the policies to the value chain partners, like, we have Business Partner Code of Conduct, Sustainability Target Agreement (internal document), etc, applicable to suppliers. https://www.schaeffler.co.in/en/company/purchasing-and-supplier-management/sustainability/								

Si. No.	Disclosure question	1	2	3	4	5	6	7	8	9
4.	Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	ISO 9001:2015 IATF 16949 ISO/TS 22163:2017 Quality Assurance programme certification	ISO 9001:2015 IATF 16949 ISO/TS 22163:2017 ISO 14001:2015 ISO 45001:2023 BIS series	LKSG ILO Convention ISO 45001:2023	ISO 9001:2015 IATF 16949 TISAX BIS series	LKSG ILO Convention ISO 45001:2023 ISO 14001:2015 ISO 50001:2018 EU-EMAS	BIS Specifications	LKSG ILO Convention	ISO 9001:2015 IATF 16949 Quality Assurance programme certification ISO/TS 22163:2017 TISAX BIS series	
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any	Our IT procedures are compliant with General Data Protection Regulation (GDPR) and the Digital Personal Data Protection Act, (DPDP) 2023. Information Security Management System (ISMS) is aligned with international standards such as ISO/IEC 27001. All our facilities are TISAX certified The certificates can be accessed on the website: Schaeffler India certificates								
		Schaeffler India Limited has developed an ambitious and structured programme with long-term goals to advance our commitment towards sustainability. (Page No. 69)								
6.	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met	Schaeffler India Limited has a process in place to monitor ESG (Environmental, Social, and Governance) performance that enables timely tracking of any deviations. Schaeffler India conducts regular reviews of ESG performance at multiple levels—quarterly reviews at the corporate leadership level and periodic reviews at plant operations—to ensure monitoring and necessary strategic adjustments. Details about progress so far on our targets are available on page 69 in the Annual report.								
P1		1. Code of Conduct for Directors, Senior Management and Employees 2. Code on Prohibition of Insider Trading 3. Dividend Distribution Policy 4. Policy on Determination of Material Subsidiary 5. Policy on Determination of Materiality for Disclosure of Events or Information 6. ESG Group Policy (Internal document) 7. Risk Management Policy 8. Information_Cyber_Security-DataProtection (Internal policy document) 9. Human Right Compliance Policy (Group, Internal policy document)	10. Legal Policy (Group Internal policy document) 11. Related Party Transactions Policy 12. Vigil Mechanism or Whistle Blower Policy 13. Internal Audit Charter 14. Business Integrity Compliance (Group internal policy) 15. Policy against Sexual Harassment (POSH Policy) 16. Procedure Compliance with Anti-Trust and Competition Law internal guidelines 17. Internal Control System Policy (Group internal policy)							
P2		1. The Schaeffler Business Partner Code of Conduct 2. EnEHS policy (Group policy) 3. Quality and Continuous Improvement Policy (Group internal policy)	4. Human Rights Compliance Policy (Group internal policy) 5. ESG Group policy (Group Internal policy)							
P3		1. Nomination and Remuneration Policy 2. Internal policies: Employee transfers, employee referral, employee death benefit etc. 3. Policy against Sexual Harassment (POSH Policy) 4. Vigil Mechanism or Whistle Blower Policy 5. Compliance with Anti-Trust and Competition Law Internal Guidelines	6. Code of Conduct for Directors, Senior Management & Employees 7. Internal policies: employee education assistance, travel, mobile, Petro card, Internal job, relocation, car policy, Parental policy, workman leave policy 8. ESG Group Policy (Internal document) 9. Human Resource Policy (Group Internal Policy Document)							

Si. No.	Disclosure question	1	2	3	4	5	6	7	8	9
P4		1. Dividend Distribution Policy 2. Code on Prohibition of Insider Trading 3. Policy on Determination of Materiality for Disclosure of Events or Information 4. Code of Fair Disclosure and Conduct; Policy for Determination of “Legitimate Purposes” 5. Internal Audit Charter 6. Compliance with Anti-Trust and Competition Law Internal Guidelines				7. Risk Management Policy 8. Related Party Transactions Policy 9. Business Integrity Compliance (Internal Policy) 10. Business Partner Code of Conduct, STA (Sustainability Target Agreement) 11. Vigil Mechanism or Whistle Blower Policy 12. Information, Cyber Security and Data Protection (Internal Policy Document)				
P5		1. Code of Conduct for Directors, Senior Management & Employees 2. Human Rights Compliance Policy (Group internal policy document) 3. Nomination and Remuneration Policy 4. The Schaeffler Business Partner Code of Conduct 5. EnEHS Policy (Group policy)				6. ESG Group Policy (Internal document) 7. Policy against Sexual Harassment (POSH Policy) 8. Corporate Social Responsibility Policy 9. Sustainability Target Agreement (Internal document)				
P6		1. EnEHS Policy (Group policy) 2. Emergency Planning 172930 – 172949 (Group internal policy) 3. ESG Group Policy (Internal document) 4. Business Continuity, Contingency & Crisis Management (Group internal policy)				5. Policy for Preservation of Documents & Archival of Information 6. Sustainability Target Agreement (Internal document) 7. Risk Management Policy				
P7		1. Code of Conduct for Directors, Senior Management & Employees 2. Code on Prohibition of Insider Trading; Code of Fair Disclosure and Conduct; Policy for Determination of “Legitimate Purposes”				3. Business Integrity Compliance (Internal policy)				
P8		1. Corporate Social Responsibility Policy 2. The Schaeffler Business Partner Code of Conduct				3. ESG Group Policy (Group internal document) 4. Code of Conduct for Directors, Senior Management & Employees				
P9		1. Cyber Security Policy 2. Code of Conduct for Directors, Senior Management & Employees 3. Privacy Policy 4. Compliance with Anti-Trust and Competition Law Internal Guidelines 5. Information Security Policy, Artificial Intelligence (AI) Policy (Group internal policy document)				6. Internal Audit Charter 7. Quality & Continuous Improvement Policy (Group internal policy document) 8. Information_ Cyber_ Security-Data Protection (Group internal policy document) 9. Internal Control System Policy (Group)				

(All our internal policies are available on company intranet page.)

Governance, Leadership and Oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Please refer page 30, 34.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy (ies)

Name of highest authority : Harsha Kadam
Designation : MD & CEO
DIN : 07736005
Category : E & NID

9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability-related issues? (Yes/No). If yes, provide details.

The sustainability governance structure at Schaeffler India Limited is formal and well established to oversee ESG and sustainability issues at all organisational levels. At the top, the Board of Schaeffler India Limited provides overall governance. The Managing Director & CEO, Harsha Kadam, acts as the sponsor and is supported by the Executive Leadership Team (ELT).

The Sustainability Head plays a key role in India wide sustainability efforts, participating in a weekly review with the MD & CEO to ensure alignment. Additionally, a fortnightly huddle connects the Sustainability Head with Plant Sustainability Coordinators responsible for the individual plants. This structure is supported by dedicated Functional Representatives focusing on critical areas such as sustainable procurement, energy procurement, sustainability reporting, and CSR initiatives, thereby ensuring comprehensive oversight and active coordination of sustainability activities across the Company.

1. **The Risk Management Committee (RMC):** The RMC formulated a detailed Risk Management Policy covering the framework for the identification of internal and external risks specifically faced by the Company, particularly ESG-related risks and measures for risk mitigation. The RMC is responsible for decision-making on sustainability-related issues. ESG-related risks and opportunities are reviewed by the RMC.
2. **The Corporate Social Responsibility (CSR) Committee:** The CSR Committee approves the Annual Action Plan for CSR Programmes to create a meaningful impact and recommends the same to the Board of Directors for implementation. The CSR Committee also reviews the status of the CSR projects undertaken towards social cause, contributing to sustainability.
3. **Stakeholders’ Relationship Committee (SRC):** The SRC Committee is responsible for resolving grievances of the Shareholders, reviewing measures taken for effective exercise of voting rights, and reviewing initiatives undertaken by the Company in the interest of the Shareholders.

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director/Committee of the Board/Any other committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes, done by Executive Management, relevant committee, and the Board.								
Compliance with statutory requirements of relevance to the Principles and rectification of any non-compliances									
	Frequency (annually, half yearly, quarterly or any other – please specify)								
Performance against above policies and follow up action	Periodic reviews by relevant Executive Management for the six pillars, and quarterly reviews by the relevant committee and the Board.								
Compliance with statutory requirements of relevance to the Principles and rectification of any non-compliances									

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Yes.

An assurance engagement was conducted by BDO AG to provide independent assurance on the design, implementation, and operating effectiveness of our compliance management system, specifically covering anti-corruption, antitrust, and prevention of economic crimes.

As part of the requirements under the ISO standards, our EHS audits evaluate the EHS policy’s effectiveness, with appropriate reviews undertaken as needed. Independent external agencies, including M/s EMAS and M/s Intechnica, conduct audits of our EHS and energy management systems.

In addition, we maintain a strong internal audit process that performs a detailed examination of policies, procedures, and regulatory compliance requirements. The status of compliance is reported regularly to the Board.

To ensure alignment with best practices and risk mitigation, our policies are periodically reviewed and updated by various business leaders before receiving approval from Senior Management and the Board. Policy reviews are also integral to the ISO certification process conducted at the headquarters level. All our policies undergo review and approval through the Group Governance Framework.

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Answer to question (1) above is “Yes”, hence this question is Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified Principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1
Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	5	Refreshing Integrity & Security @ Schaeffler	70%
	5	Operational, Financial Performance, Business Performance & Risk Management, ESG	100%
	1	Special Board & Audit Committee meeting	100%
Independent Directors	1	Plant visit, interaction with statutory auditors, interaction with KMPs	14%
Key Managerial Personnel	4	Integrity & Security @ Schaeffler	100%
		Preventing Bribery & Corruption (PBAC)	100%
		New Compliance WBT “Antitrust Compliance”	100%
Employees Other Than BoD and KMPs	7	Integrity & Security @ Schaeffler (New joiners)	100%
		Preventing Bribery & Corruption (PBAC) (For new joiners)	100%
		Refreshing Integrity & Security @ Schaeffler (For existing)	100%
		New Compliance WBT “Antitrust Compliance” (For new joiners)	100%
	376	Human rights	98%
		Schaeffler Governance Framework	
		Windchill Training	
		SIEMENS SINAMICS Training	
		Workshop on Become Master Presenter	
		The Trust Equation (Leadership Essential)	
		NITAL HNO3 Tank Process Implementation Awareness Training	
		Mastering Self-Motivation	
		Managing Export Control Concerns and Compliance in the Sales Process	
		GFR 111 A (Workplace safety)	
		Functional Training on Project Management	

Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
		Finance for Non Finance	
		Electrical Cabinet: Design of special machinery	
		Diversity, Inclusion and Belonging	
		DFMEA Design for Potential Failure Modes and Effects Analysis Qualityin	
		Critical Thinking and Problem Solving	
		Communicating Effectively to Improve Your Leadership Brand	
		Coaching Conversations	
		Power BI and Analysis Tools	
		Performance and Goal Management (PMGM)	
Workers ¹	133	KAIZEN	74%
		PRESS SAFETY TOOL SETTING	
		5S + DOJO Training	
		Addressing Poor Work Habits	
		Awareness Training of Bearing Handling During Assembly and Roller Visual Defect	
		Bearing Assembly Process	
		Chemical Material Handling	
		Cyber Security Awareness Workplace	
		Fire Extinguisher and Fire Hydrant Practical	
		KATA Coaching	
		Machine safety/Workplace Safety	
		Problem Solving and Decision Making (8D and Other Tools)	
		Human rights and POSH	

- ¹ Allied services such as Canteen, Housekeeping, Security, Transportation, and Construction Workers are not included in the reported numbers.
2. Details of fines, penalties, punishments, awards, compounding fees and settlement amounts paid in proceedings by the Company or by the Directors/KMPs with regulators, law enforcement agencies and judicial institutions, during the financial year, in the following format (Note: the Company shall make disclosures on the basis of materiality as specified in Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as disclosed on the Company’s website)

Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (in ₹)	Brief of the case
Penalty/fine			Nil	
Settlement				
Compounding fee				
Non-monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil	
Punishment				

3. Of the instances disclosed in question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary actions have been appealed.

Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details and if available, provide a web link to the policy.

Yes

Schaeffler’s business practices are founded on principles of mutual respect, integrity, and fairness, embodied in its Code of Conduct, which is publicly accessible on the Schaeffler website. The Company enforces a comprehensive Business Integrity Compliance Policy addressing key compliance risk areas such as anti-corruption, competition law, prevention of money laundering, and more. Separate Codes of Conduct exist for Directors, Senior Management, Employees, and Suppliers. Awareness and training programs are conducted regularly to ensure understanding and adherence.

1. Code of Conduct
 - Publicly available on the Schaeffler website.
 - Sets the foundational values of the Company: Integrity, fairness, and mutual respect
 - Directors, Senior Management and Employees: Tailored code focusing on leadership and employee responsibilities
 - Clause 2.2 specifically addresses anti-corruption guidance
2. Business Integrity Compliance Policy (Internal document)
 - Designed based on the Code of Conduct principles
 - Provides binding instructions to enforce business integrity
 - Focus areas to minimise legal violations include:
 - Anti-corruption
 - Fair competition, antitrust, and competition law
 - Avoidance of conflict of interest
 - Prevention of money laundering and terrorism financing
 - Export control and sanctions law compliance
 - Business partner due diligence
 - Proper accounting and financial reporting
 - Reporting of misconduct
 - Transparency and traceability of financial and business transactions
3. Suppliers: Business Partner Code of Conduct ensures ethical standards across the supply chain
4. Implementation and Awareness

Policies and codes are communicated and reinforced through:

 - Physical and virtual training sessions
 - Interactive e-learning modules
 - Regular awareness campaigns for employees, vendors, and supply chain partners
 - The relevant policies and codes can be accessed through official Schaeffler web links (to be provided as per internal references or website).

[Code of directors, senior management & employees](#)
[Business Partner Code of Conduct](#)
[Group code of conduct](#)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption

	2025 Current Financial Year	2024 Previous Financial Year
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest

	2025 Current Financial Year		2024 Previous Financial Year	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	No Conflict of Interest incidents were reported against Directors	0	No Conflict of Interest incidents were reported against Directors
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	No Conflict of Interest incidents were reported against KMPs	0	No Conflict of Interest incidents were reported against KMPs

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and Conflict of Interest

Not applicable, as we do not have any instances of corruption/Conflict of Interest against the Directors and KMPs.

8. Number of days of accounts payables ((accounts payable *365)/cost of goods/services procured) in the following format

	2025 Current Financial Year	2024 Previous Financial Year
Number of days of accounts payables ¹	70	64

¹ Excluding capex

9. Openness of business: Provide details of concentration of purchases and sales with trading houses, dealers and related parties, along with loans, advances and investments with related parties, in the following format

Parameter	Metrics	2025 Current Financial Year	2024 Previous Financial Year
Concentration of Purchases ¹	a. Purchases from trading houses as % of total purchases	3.2%	3.0%
	b. Number of trading houses where purchases are made from	290	331
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	37.7%	35.5%
Concentration of Sales ²	a. Sales to dealers/distributors as % of total sales	14.6%	16.0%
	b. Number of dealers/distributors to whom sales are made	291	314 ⁴
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	34.4%	33.1%
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	41.1%	42.2%
	b. Sales (Sales to related parties/Total Sales)	14.3%	12.3%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances) ³	100.0%	100.0%
	d. Investments (Investments in related parties/Total Investments made) ³	100.0%	100.0%

¹ Total purchases include finished goods purchases, capex and third-party purchases. Schaeffler India procures production materials directly from supply chain partners without involving any trading houses for import/export. The values mentioned here pertain to domestic dealers and traders. Purchases from trading houses are limited exclusively to non-production materials and reflect our business transactions with them.

² Values mentioned here are concerned with domestic dealers/traders and consisting only of non production material.

³ We have considered non-current Loans & non-current investements for calculation.

⁴ Previous year figures have been restated with greater clarity in the calculation.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total number of awareness programmes held	Topics/Principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes (2025)	% of value chain partners covered (by value of business done with such partners) under the awareness programmes (2024)
25	Supply Chain digitalisation: The "SupplyOn" tool is implemented with Production Material suppliers as per group guidelines. It covers topics such as Sourcing Module, Web EDI, ASN, GTL, Performance Monitor etc	63%	95%
35	Schaeffler Supplier Sustainability (Carbon emission management and targets, Environmental management certification, Occupational health and safety certification, SAQ and Sustainability Target agreement)	18%	62%

Note: 1 Majority of the suppliers were already covered in 2024 and remaining were covered in 2025.
2 Awareness sessions were conducted through workshops, one-to-one interactions and Teams calls. Suppliers are covered through a Self-Assessment Questionnaire (SAQ). In FY2025, suppliers with risk class ‘E’ were covered (in the previous year, suppliers with risk classes ‘D’ and ‘E’ were covered).

2. Does the entity have processes in place to avoid/manage Conflict of Interest involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes
All directors and employees are governed by the Schaeffler Code of Conduct which includes Conflict of interest (COI) clause. Schaeffler expects loyalty and integrity from all employees. This means that all employees must act in Schaeffler's best interests within the scope of their employment with the Company and make business decisions in the best interests of the Company.

Conflict of Interest should be avoided and if it is unavoidable, it must be disclosed in writing to the Line Manager, HR Business Partner or responsible Compliance Officer, Board of Directors (situational) to find a solution that will protect the Company’s interests.

COI declarations are taken from the Board members on a periodic basis. Adequate resolution is agreed about the declared conflict if any, and documented.

Business integrity & compliance (Internal Policy) lays down procedures for the Disclosure and Handling of Conflict of Interest. Following are links for the code of conduct:

- Coc of directors, senior management & employees
- Business Partner Code of Conduct
- Group code of conduct
- Business integrity & compliance policy (Internal policy)

PRINCIPLE 2
Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

	2025	2024	Details of improvements in environmental and social impacts
R&D	100%	100%	1. The contribution of steering races manufacturing for 2W (two-wheeler) Electric Vehicles (EVs) at the Savli plant plays a significant role in promoting sustainability. This involves supporting cleaner mobility solutions and enabling environmentally friendly transportation. 2. The launch of three different series of Large SRB (Steering Race Bearings) localisation at the Savli plant, including the first-time local development of Large Case Steel Bearing Housing, significantly contributes to sustainability by enhancing local manufacturing capabilities, reducing supply chain impacts, and promoting resource-efficient production. 3. The initiative AVISHKAAR, launched in 2025, aims to unlock potential innovations by soliciting ideas across four key themes: Innovation, Passion, Excellence, and Sustainability. It received over 350 ideas, which are currently under evaluation and may contribute to business growth by enhancing top-line revenue and bottom-line profitability.
Capex	3.9%	6.3%	

¹ 100% of Schaeffler India Limited’s R&D spend can be aligned to one or more principles of NGRBC
² For capex we already have established machinery and procedures to control the environmental and social impacts of our products and processes, we do regular checks and updates which require no investment for the time being.

2. Details on sustainable sourcing

- a. Does the entity have procedures in place for sustainable sourcing?
Yes
Sustainability is integral to Schaeffler’s core values, focusing on identifying, managing, and optimising ecological, social, and economic impacts throughout our supplier network. Recognising that raw materials for modern technologies often come from geopolitically sensitive areas, and given the challenges posed by climate change and resource scarcity, we actively strengthen partnerships with our suppliers to promote and embed sustainable practices collaboratively.

Our sustainable sourcing framework includes the following key elements:
Business Partner Code of Conduct
All Schaeffler India suppliers are required to acknowledge Business Partner Code of Conduct, which explicitly addresses responsible sourcing, including conflict minerals and critical raw materials.

Sustainability Self-Assessment Questionnaire (SAQ)
As per group guidelines, suppliers undergo a phased Sustainability Self-Assessment Questionnaire covering critical areas such as Company Management, Human Rights and Working Conditions, Health and Safety, Business Ethics, Environmental Stewardship, Responsible Supply Chain Management, and Responsible Sourcing of Raw Materials.

Incorporation of Sustainability in Sourcing Approval
Sustainability criteria form a part of the sourcing approval process to ensure alignment with our standards.

Sustainability Target Agreement (STA)
We enter into mutual agreement named "Sustainability Target Agreement" with selected production material suppliers to drive continuous improvement in sustainability performance. These targets cover Greenhouse Gas Emissions, Renewable Energy adoption, Waste Management, Human Rights Due Diligence, Returnable Packaging, and other relevant aspects, following group guidelines.

Conflict Minerals Reporting
Schaeffler adheres strictly to the group’s Conflict Minerals Reporting Procedure to maintain an ethical supply chain and comply with responsible sourcing requirements.

This structured approach helps us in mitigating supply chain risks and fosters responsible business practices throughout our sourcing ecosystem.
[Sustainability](#) | [Schaeffler India](#)

- b. If yes, what percentage of inputs were sourced sustainably?
Yes
It is mandatory for all suppliers of Schaeffler India Limited to declare their commitments to our sustainability requirements during onboarding as per qualification requirements. More than 60% of Schaeffer’s inputs are sourced through sustainable sourcing

3. Describe the processes in place to safely reclaim your products for reuse, recycling and disposal at the end of their life.

- Our Bearing Refurbishing Centre is a facility dedicated to the refurbishment and maintenance of bearings, mainly aimed at extending the life of bearings, reducing operational costs, and supporting sustainability by minimising waste and resource consumption. Refurbishment of bearings plays an important role in extending the lifecycle of product solutions and reducing CO2 emissions, thereby saving significant amounts of resources (sustainability focus).
- By refurbishing bearings, the centre promotes a circular economy approach.
 - Reduces waste and conserves materials by extending the usable life of existing bearings.
 - Supports Schaeffler’s overall sustainability goals by minimising environmental impact.

Additionally, all products comply with European regulations such as ELV, RoHS, and REACH, supporting the safe disposal of products at the end of their life..

(a) Plastics (including packaging)	Plastic waste generated from our manufacturing and warehousing locations is responsibly managed by recycling it through an authorised recycler, ensuring compliance with environmental regulations and standards.
(b) E-waste	E-waste generated from all Company locations is safely managed by either recycling it through an authorised recycler or sending it back to the original manufacturer.
(c) Hazardous waste	Waste generated from manufacturing locations is sent to authorised recyclers or for co-processing, enabling Schaeffler India to achieve Zero Waste to Landfill status across all plant locations.
(d) Other waste.	Metal scraps generated from the manufacturing process are recycled responsibly by either returning them to suppliers or sending them to authorised recyclers.

Note: Schaeffler India Limited supplies its products to OEM companies, which use these intermediary products in their final products that are sold to consumers. Therefore, for Schaeffler India Limited, the consumers are these OEM companies, i.e. customers, and the Company has limited scope to directly reach consumers.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes.

We are registered under the Extended Producer Responsibility (EPR) framework with the Central Pollution Control Board (CPCB) adhering to the Plastic Waste Management Rules, 2016.

- Schaeffler India Limited is registered under importer category under the Plastic Waste Management Rules, 2016.
- Schaeffler India Limited is registered under brand owner category under the Plastic Waste Management Rules, 2016.
- Schaeffler India Limited is also registered as a producer of waste/used battery in line with the provisions under Battery Waste Management Rules, 2022

We are complyg with the regulatory requirements of collection and disposal of waste, filing returns, obtaining EPR credits etc. as per EPR guidelines.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format

Schaeffler is committed not only to reducing greenhouse gas emissions in its own production and facilities but also to minimising its climate footprint across the entire value chain. This includes assessing and reducing CO2 emissions from suppliers, as well as emissions generated during the product's use phase and disposal. Schaeffler calculates the carbon footprint of its products to quantify and manage the greenhouse gas emissions associated with their entire lifecycle.

NIC Code	Name of Product/ service	% of total turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web link.
28140	Ball & Roller Bearing	52%	Cradle-to-gate	No	The Product Carbon Footprint (PCF) calculations for Schaeffler's products are conducted centrally at the Group level. The results of these calculations can be provided to interested parties upon request.
28140	Engine Components	15%	Cradle-to-gate	No	
28140	Transmission System	29%	Cradle-to-gate	No	
27100	Electric Drives	3%	Cradle-to-gate	No	

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same

LCA is carried out as per the Group Guidelines and there were no significant social and environmental concerns identified.

Name of Product/service	Description of the risk/concern	Action taken
Nil	Nil	Nil

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or reused input material to total material	
	2025 Current Financial Year	2024 Previous Financial Year
Packaging plastic material	13.0%	12.1%
Plastic granules	20.0%	19.9%
Castings	85.0%	85.0%
Steel	16.3%	13.6%

4. Of the products and packaging reclaimed at the end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format

	2025 Current Financial Year			2024 Previous Financial Year		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	NA			NA		
E-waste						
Hazardous waste						
Other waste						

We are intermediaries in the supply chain, where major quantum of our products is directly supplied to the OEMs. Hence the Company has no scope for reclaiming it at the end of its life cycle.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Qualitative response (name of product)	Not applicable

We are intermediaries in supply chain, where major quantum of our products is directly supplied to the OEMs. Hence the Company has no scope for reclaiming it at the end of its life cycle.

PRINCIPLE 3
Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees

% of employees covered by											
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities¹	
Category	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,665	1,665	100%	1,665	100%	0	0%	1,665	100%	1,518	91%
Female	110	110	100%	110	100%	110	100%	0	0%	98	89%
Total	1,775	1,775	100%	1,775	100%	110	100%	1,665	100%	1,616	91%
Other than permanent employees											
Male	195	195	100%	195	100%	0	0%	0	0%	193	99%
Female	33	33	100%	33	100%	33	100%	0	0%	31	94%
Total	228	228	100%	228	100%	33	100%	0	0%	224	98%

b. Details of measures for the well-being of workers

% of workers covered by											
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities¹	
Category	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	1,320	1,320	100%	1,320	100%	0	0%	1,320	100%	1,080	82%
Female	25	25	100%	25	100%	25	100%	0	0%	25	100%
Total	1,345	1,345	100%	1,345	100%	25	100%	1,320	98%	1,105	82%
Other than Permanent workers											
Male	2,768	2,768	100%	2,768	100%	0	0%	0	0%	0	0%
Female	253	253	100%	253	100%	253	100%	0	0%	0	0%
Total	3,021	3,021	100%	3,021	100%	253	100%	0	0%	0	0%

¹ The daycare facility is available at 3 locations

Allied services such as Canteen, Housekeeping, Security, Transportation, and Construction Workers are not included in the reported numbers.

c. Spending on measures towards the well-being of employees and workers (including permanent and other than permanent) in the following format –Cost incurred on well-being measures as a % of total revenue of the company for Current Financial Year and Previous Financial Year

	2025 Current Financial Year (%)	2024 Previous Financial Year (%)
Cost incurred on well-being measures as a % of total revenue of the company	0.11%	0.11%

Note: ¹ For the purpose of calculating the spending on measures towards well-being of employees and workers, the Company has considered the expense incurred towards employees/workers Health Insurance, Life Insurance, Medical Expenses, maternity and paternity benefits, yoga day, family engagement, festive celebrations. Cost incurred for occupational health centers are excluded.

2. Details of retirement benefits for Current Financial Year and Previous Financial Year

Benefits	2025 Current Financial Year			2024 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes
Superannuation benefit (Co Fund + NPS)	100%	100%	Yes	100%	100%	Yes

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Schaeffler India is committed to creating a barrier-free and inclusive workplace by making its premises and offices accessible to differently-abled employees and workers. The Company follows hamonised space standards and guidelines to develop necessary infrastructure and actively promotes the deployment of differently-abled candidates across technical and non-technical roles.

1. Accessibility infrastructure development: Schaeffler India has implemented and continues to progress in installing accessibility facilities at all plant locations, including:
 - Signages: Clear, easy-to-understand signage to assist navigation.
 - Elevators, ramps, handrails: Facility modifications to ensure safe and convenient movement.
 - Dedicated parking: Reserved parking spaces in close proximity to entrances.
 - Washrooms/restrooms: Accessible and adapted washroom facilities.
2. Compliance with Barrier-free environment guidelines
 - Workspaces follow harmonised guidelines and space standards ensuring accessibility for persons with disabilities.
 - Ensures legal and ethical compliance while promoting comfort and inclusivity.
3. Diversity and inclusion practices
 - Positions suitable for differently-abled candidates are identified regularly.
 - Recruitment occurs on both on-roll and off-roll bases (permanent and contract).
 - Approximately 7 differently-abled employees and workers are currently deployed across various locations.

Schaeffler India demonstrates a strong commitment to accessibility and inclusion, ensuring the workplace environment supports differently-abled employees through infrastructure and employment initiatives. This fosters diversity and equal opportunity within the organisation.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Schaeffler India’s Code of Conduct embraces diversity as a fundamental principle, recognising equality as a basic human right and prioritising a respectful, inclusive workplace free from prejudice, discrimination, intimidation, and abuse. The Company is committed to providing equal opportunities to all individuals regardless of age, gender, gender identity, ethnicity, nationality, religion, disability, or sexual orientation, viewing cultural diversity as a strength in its global operations. To further strengthen this commitment, Schaeffler India is in the process of formulating a comprehensive Diversity & Inclusion policy that will formalise and guide its efforts to create an inclusive and welcoming work environment

[Coc of directors, senior management & employees](#)
[Business Partner Code of Conduct](#)
[Group code of conduct](#)

5. Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male ¹	100%	100%	100%	100%
Female	100%	100%	NA ²	NA ²
Total	100%	100%	100%	100%

¹ From year 2024 onwards this is applicable to all male candidates across Schaeffler India.
² There is no women worker who has taken maternity leave under permanent workers category

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism

	Yes/No	(If Yes, then give details of the mechanism)	
Permanent Workers	Yes	• Permanent Workers: Worker unions are established, allowing employees to file complaints or approach management at any time to resolve their grievances effectively. • Non-Permanent Workers: External unions represent non-permanent workers. These workers raise personal or collective grievances, if any, through their appointed leaders, who escalate issues to the respective contractors and the Industrial Relations (IR) Head for amicable resolution. • Functional Management Responsibility: Functional managers are accountable for implementing, monitoring, and reporting Human Rights and Code of Conduct (CoC) related issues. They ensure timely management intervention where necessary. • Whistle-Blower and Vigil Mechanism: A defined policy supports complaint filing through dedicated email IDs, helpline numbers, and Single Points of Contact (SPOCs). Contact information is widely circulated among employees to facilitate awareness and ease of reporting. • Prevention of Sexual Harassment (POSH) Committees: Each plant and office has an Internal Complaints Committee (ICC) to address POSH-related concerns through helpline numbers, email IDs, and SPOCs. • Additional Feedback Channels for Permanent Employees: Mechanisms such as Town Hall Meetings, Open House Meetings, and “Skip to Succeed” interactive sessions are in place to receive employee feedback and grievances, ensuring responsive communication.	Under Vigil Mechanism employee can file a complaint at: weo.india@schaeffler.com
Other than Permanent Workers			POSH-related complaints: posh@schaeffler.com
Permanent Employees			Compliance-related and Human Rights queries: complianceindia@schaeffler.com Dedicated helpline number provided in Code of Conduct.
Other than Permanent Employees			Employee can file any complaint anonymously at: https://schaeffler.speakup.report/en-GB/speakup-line/phone-numbers

7. Membership of employees and workers in association(s) or unions recognised by the listed entity

Category	2025 Current Financial Year			2024 Previous Financial Year		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association (s) or union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association (s) or union (D)	% (D/C)
Total Permanent Employees	1,775	0	0%	1,652	0	0%
Male	1,665	0	0%	1,549	0	0%
Female	110	0	0%	103	0	0%
Total Permanent Workers	1,345	736	55%	1,295	743	57%
Male	1,320	736	56%	1,270	743	59%
Female	25	0	0%	25	0	0%

Allied services such as Canteen, Housekeeping, Security, Transportation, and Construction Workers are not included in the reported numbers.

8. Details of training given to employees and workers:

	2025 Current Financial Year					2024 Previous Financial Year				
	Total (A)	On health and safety measures		On Skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,860	1,193	64%	1,684	91%	1670	653	39%	1433	86%
Female	143	80	56%	115	80%	132	50	38%	109	83%
Total	2,003	1,273	64%	1,799	90%	1802	703	39%	1542	86%
Workers										
Male	4,088	1,584	39%	2,487	61%	3517	1576	45%	1899	54%
Female	278	185	67%	237	85%	188	82	44%	88	47%
Total	4,366	1,769	41%	2,724	62%	3705	1658	45%	1987	54%

¹ Allied services such as Canteen, Housekeeping, Security, Transportation, and Construction Workers are not included in the reported numbers.

9. Details of performance and career development reviews of employees and workers

The global Performance & Goal Management (PMGM) system supports individual performance as well as the personal and professional development of employees. PMGM includes setting performance goals for the upcoming year, conducting open dialogues between managers and employees to discuss career plans, and defining appropriate development goals and actions.

This system is managed through SAP SuccessFactors, providing a structured and transparent approach to performance management. For workers, an internal performance appraisal mechanism is implemented to effectively assess and support their performance.

	2025 Current Financial Year			2024 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,665	1,665	100%	1,549	1,549	100%
Female	110	110	100%	103	103	100%
Total	1,775	1,775	100%	1,652	1,652	100%
Workers						
Male	1,320	1,320	100%	1,245	1,245	100%
Female	25	25	100%	25	25	100%
Total	1,345	1,345	100%	1,270	1,270	100%

Allied services such as Canteen, Housekeeping, Security, Transportation, and Construction Workers are not included in the reported numbers.

10. Health and safety management system

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?
Yes.
Safety is a fundamental value that takes precedence over all business objectives at Schaeffler. Each of our plants is equipped with Occupational Health Centre (OHC) facilities staffed by doctors, nurses, and ambulances operating 24/7 to ensure prompt medical care. Our health and safety management systems are implemented in accordance with the international standard ISO 45001 (Occupational Health and Safety Management System), reflecting our commitment to maintaining a safe and healthy work environment across all the locations of Schaeffler India Ltd.
[EnEHS Policy](#) – Group [ISO 45001](#)
- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
Schaeffler India prioritises safety as a core responsibility, committed to fostering a strong safety culture across all organisational levels. The Company continuously evaluates safety practices against industry standards to ensure a secure workplace for employees, business partners, and contractors. A comprehensive risk management system is in place involving risk identification, assessment, and mitigation through multi-level processes and regular audits, supported by awareness programmes and emergency preparedness. Safety is integral to business operations, with emphasis on instilling a culture of safety throughout the organisation.

Hazard Identification and Assessment (HIRA)

- Hazard Identification and Risk Assessment (HIRA) is conducted regularly at all locations
- Three-stage process involving local cross-functional teams and third-party engagement

Systems and Processes to Identify Risks

- Regular workplace inspections using TPM checklists to spot hazards and unsafe practices
- EHS walkthroughs involving cross-functional teams and top management for comprehensive safety reviews
- Group internal safety audits and external audits aligned with ISO 45001 standards
- Near-miss reporting system actively encourages employees on the shop floor to report potential incidents
- Detailed risk assessments for every machine within the plant
- Well-prepared location-specific evacuation plans with mapped fire extinguisher locations prominently displayed

Employee Awareness

- Continuous safety awareness initiatives are conducted to educate and engage employees on occupational safety.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks (Y/N)
Yes.

Schaeffler India actively encourages employees and workers to report health and safety violations, including work hazards, near misses, and unsafe acts, through multiple channels.

These include:

- Daily shop floor meetings: Provide an opportunity for workers to report incidents or potential hazards regularly.
- Plant safety officers: Each site has designated safety officers who receive reports, investigate incidents, and develop action plans when required.
- Group-level reporting: A centralised incident reporting system enables any employee across locations to report issues, which are managed in coordination with EHS regional and central functions.

This multi-tiered approach ensures timely incident detection, thorough investigation, and effective resolution to prevent recurrence.

- d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)
Yes.

Schaeffler India offers comprehensive non-occupational medical and healthcare services to employees and workers, including access to cashless medical claims through group insurance-covered hospital chains, as well as maternity and paternity benefits. Health initiatives feature regular check-ups for employees aged 45 and above, mental wellness programmes such as yoga, periodic health assessments, and workplace inspections. Additionally, the Company conducts health awareness sessions led by medical officers and external doctors, focusing on seasonal and lifestyle-related diseases.

11. Details of safety related incidents, in the following format

Safety incident/number	Category	2025 Current Financial Year	2024 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.86
	Workers	0.10	0.22
Total recordable work related injuries	Employees	0.00	3.00
	Workers	1.00	2.00
No. of fatalities	Employees	0.00	0.00
	Workers	0.00	0.00
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0.00	0.00
	Workers	0.00	0.00

Allied services such as Canteen, Housekeeping, Security, Transportation, and Construction Workers are not included in the reported numbers.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Ensuring safety is Schaeffler India’s top priority, supported by comprehensive training programs, risk assessments, safety committees, emergency preparedness drills, and advanced safety infrastructure. These measures collectively foster a strong safety culture and ensure continuous monitoring and improvement of workplace safety.

- Mandatory Safety Trainings: All employees undergo compulsory safety training, complemented by Group-level e-learning programmes specifically designed for supervisors.

- Safety DOJO Training: Hands-on, practical safety training is provided at all locations, focusing on employees working directly in operational areas (Gemba).
- Risk Assessments: Cross-location teams and third-party experts conduct regular risk assessments to identify occupational hazards and predefine mitigation measures.
- Walkthrough Surveys: Cross-functional teams (CFT) perform routine site surveys to identify and address safety concerns.
- Safety Committee Meetings: Regular meetings led by senior safety experts ensure evaluation and effective implementation of safety practices.
- Induction and Ongoing Awareness: New joiners receive e-learning on safety during induction, with periodic training and awareness sessions conducted for all employees.
- Emergency Preparedness: Conducts Regular mock drills and fire drills are conducted to prepare employees for emergency situations.
- Corrective and Preventive Actions (CAPA): Safety observations and audit findings drive continuous improvements through defined corrective and preventive actions.
- Safety Infrastructure: Facilities are equipped with gas detection systems, fire hydrants, fire detection, and personal announcement systems, and fire extinguishers.
- Emergency Response Teams (ERT): Trained ERT members are deployed across all shifts to manage emergencies, supported by a centralised crisis management team.

13. Number of complaints on the following made by employees and workers

	2025 Current Financial Year			2024 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	6	3	-	37	0	-
Health and safety	52	9	-	54	0	-

Allied services such as Canteen, Housekeeping, Security, Transportation, and Construction Workers are not included in the reported numbers.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

Note: Schaeffler India undergoes strict internal EHS audits and internal control checks as part of its internal assessment.

All our factories are ISO 45001 certified.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health and safety practices and working conditions

1. Accident Investigation and Root Cause Analysis
 - Every safety-related accident is thoroughly investigated.
 - Post-incident root cause analysis is conducted and documented.
 - Investigation outcomes are communicated across the organisation to ensure awareness.
2. Corrective Actions via PDCA and Why-Why Analysis
 - Action plans are developed based on findings.
 - Corrective actions follow the Plan-Do-Check-Act (PDCA) methodology.
 - The Why-Why analysis technique is applied to identify underlying causes.
3. Horizontal Deployment of Lessons Learned
 - Insights and lessons from incidents are shared across all locations.
 - Enables horizontal deployment of corrective actions to prevent recurrence.
4. Annual Hazard Identification and Risk Assessment (HIRA)
 - HIRA is conducted annually for every machine.
 - Identified risks are addressed through formal action plans to ensure ongoing risk mitigation.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Employees	Yes
Workers	Yes

Yes. Schaeffler India Limited's benefits programme adopts an integrated approach to enhance employees' financial and social security, offering options such as notional gratuity, accident insurance, and death benevolence to safeguard against unfortunate events.

- Notably, the company's death benefit scheme provides beneficiaries with a lump sum payment equivalent to 120 months of the deceased employee's last drawn basic salary plus Dearness Allowance (DA), ensuring substantial financial support for the family in the event of the employee's demise.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Depositing statutory dues like TDS, GST and filing returns is a fundamental requirement for value chain partners. For any defaulters, we perform cross-checks using data from government portals through our system. If any discrepancies or mismatches are identified, the respective team engages with the value chain partners to review and rectify the issues.

3. Provide the number of employees/workers having suffered high-consequence work-related injury/ill-health/fatalities (as Data Needed in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2025 Current Financial Year	2024 Previous Financial Year	2025 Current Financial Year	2024 Previous Financial Year
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

No.

5. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices ¹	60%
Working Conditions ¹	60%

¹ Based on SAQ and ISO 45001 certificates

Note: The assessment covering the majority of purchasing spend was conducted through a Self-Assessment Questionnaire (SAQ), which is designed to indicate and verify supplier compliance on CSR and sustainability topics, including health and safety practices, working conditions, policies, processes, functions, tools, internal controls and ISO 45001 certification.

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Schaeffler India Limited (SIL) ensures that all newly onboarded suppliers commit to responsible and ethical business practices by mandating the signing of the Business Partner Code of Conduct . Through this requirement, we ensure that our suppliers adhere to essential standards on health and safety, human rights, and fair working conditions for their employees.

Periodic supplier audits are conducted through multiple assessment mechanisms, including:

SIA – Supplier Initial Assessment, SSA – Supplier Surveillance Assessment, SRA – Supplier Rapid Assessment. These assessments evaluate suppliers on parameters such as workplace health and safety practices, adequacy of working conditions, and overall sustainability maturity.

In addition, Schaeffler India administers an annual Sustainability Self-Assessment Questionnaire (SAQ) for all relevant & identified suppliers. The SAQ covers a comprehensive range of topics including:

Company management systems, Human rights and working conditions, Occupational health & safety, Business ethics and anti-corruption, Environmental management Responsible supply chain practices, Responsible sourcing of raw materials.

Suppliers with low performance in the SAQ are escalated for an audit under the Responsible Supply Chain Initiative (RSCI) framework.

During the reporting year 2025, one supplier received a low SAQ score and was therefore referred for an RSCI audit. Improvement actions were jointly agreed upon, and the supplier is currently under the audit and remediation process.

To strengthen supplier capability and ensure continuous improvement, Schaeffler India also conducts periodic one-on-one training, direct coaching, and mentoring sessions for supplier teams. These interventions help improve understanding of sustainability expectations and promote responsible practices across the value chain.

[Sustainability](#) | [Schaeffler India](#)

PRINCIPLE 4
Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Schaeffler India has implemented a dynamic and strategic stakeholder engagement process consisting of identification and prioritisation. This process ensures focused engagement with key internal and external stakeholders critical to the Company's value creation and decision-making, which includes the following steps:

Identification: Wherein we identify key stakeholder groups from a larger universe of all possible stakeholders. Identification of stakeholders is based on their material influence on the Company's ability to create value, and vice-versa. This ensures that engagement efforts target those most relevant to business and sustainability outcomes.

Prioritisation: We prioritise stakeholders based on their ability to influence the Company's decision-making making and their impact on processes and operations. Presently, we have identified key stakeholders, internal namely. employees and external namely investors/Shareholders, customers, suppliers, partners, communities, and regulators.

2. List of stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable and marginalised group (Yes/No)	Channels of communication (email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website, other)	Frequency of engagement (annually, half yearly, quarterly or others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/ Shareholders	No	- Quarterly and Annual intimation of financial results through newspapers - Quarterly and Annual intimation of financial results to Shareholders via email - Annual Report circulation through email or sending hard copies of the Annual Report based on requests - Periodic plant visits for Shareholders - Newspaper notices - Investor and analyst meetings - Earnings conference calls - Press releases - Shareholders’ meetings - Stock Exchange announcements - Company website	Annually/half-yearly/ quarterly/event-based	Financial performance, business updates, product and service offering, ESG updates, strategic priorities, awards and accolades, etc
Customers/ dealers/ distributors	No	- Publications - Media and digital communications - Conferences and customer meets/events - Personal visits - Customer surveys	As and when required	- Information about products - Product/service quality and safety - Delivery conditions, feedback
Employees	No	- Employee surveys - Idea management - Internal media - One-on-one meetings - Conferences - Trainings - Workshops - Publications - Newsletters and reports - Online portals, Town Hall, Open House meetings	- Ongoing - As and when required	- To inform employees about the organisation’s updates and events - To create awareness about business, including codes and values - To understand employee needs, opinions, and feedback

Stakeholder group	Whether identified as vulnerable and marginalised group (Yes/No)	Channels of communication (email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website, other)	Frequency of engagement (annually, half yearly, quarterly or others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers and vendors	No	- Contracts/Agreements - SOPs - Guidelines - Training, Purchase Orders/Service orders, SupplyOn, Management meetings, Supplier Meet	As and when required	- Sustainable sourcing - Clear information of "Terms & Conditions of Purchase" of supply delivery etc
Community/ associate partners/ NGOs	Yes	- Community meetings - Survey - Visits - Discussions	As and when required	To empower community and promote community development
Union/state government/ local government bodies	No	- Annual/quarterly reports - E-mail, hard copy letters - Meetings, as and when required - Communication through portals	- Ongoing - As and when required	- To comply with regulations/ applicable laws - To get approvals - To keep regulators informed
Media/rating agencies	No	- Press media releases - Spokesperson interviews and media interactions - Email media interactions - Company website - Company social media channels	As and when required	- To inform and update on the Company's activities, achievements, and developments. - The engagement aims to maintain transparency, build public trust, and manage the Company's public image. - Key topics include new financial results, product launches, CSR initiatives, and strategic announcements

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.
 - The Executive Leadership Team (ELT) which is subordinate to the Board of Directors, is responsible for all the matters related to economic, environmental, and social topics along with other organisational issues. They act as a link between the Board and the Stakeholders. The Members of the Executive Leadership Team update the Board about economic, environmental, and social related topics during Board and Committee meetings. The Executive Leadership Team is responsible to seek feedback, inputs, and suggestions from the Board. The Executive Leadership Team takes initiative on prioritising our strategies and action plans to address the issues.
 - Schaeffler India conducts a materiality assessment every two years to identify key issues, including ESG topics, by engaging with various stakeholders. This process involves distributing questionnaires to stakeholders to evaluate and prioritise the relative importance of selected ESG matters. The assessment helps shape the Company’s ESG initiatives and supports the development of a comprehensive strategic frame work. In the reporting years 2022 and 2024, Schaeffler India carried out the materiality analysis. The latest assessment included both financial and impact materiality to achieve a double materiality perspective. The evaluation was guided by the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), analysing sustainability from both inside-out and outside-in viewpoints for a well-rounded approach.
 - We have Board Committees namely, Risk Management Committee, Corporate Social Responsibility Committee, Audit Committee etc. which take care of matters related to different stakeholders including economic, environmental, and social topics and update the Board on such topics.
2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes.

- Sustainability audit outcomes from customers are incorporated into the decision-making process, and action plans are developed accordingly. This approach ensures continuous improvement in sustainability performance aligned with customer expectations.

- Schaeffler India conducts a materiality assessment every two years to ensure that the prioritisation of material ESG (Environmental, Social, and Governance) topics remains relevant and aligned with evolving stakeholder expectations and sustainability goals. In the previous year, Schaeffler India conducted a comprehensive materiality analysis guided by the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The assessment incorporated both inside-out and outside-in perspectives and identified 21 material issues through stakeholder consultations. Feedback from stakeholders was used to prioritise these topics, which supported the formulation of time-bound ESG strategies, short-term and long-term plans, target setting, and the establishment of monitoring mechanisms.
- Key ESG topics—including sustainability, ESG-related risks, climate change related risk, the ESG roadmap, and sustainability targets are regularly discussed in Schaeffler India’s Risk Management Committee and Board meetings. This continuous dialogue reinforces the Company's long-term commitment to ESG while maintaining focus on short-term goals, ensuring agility and vigilance in its ESG efforts.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

Schaeffler India’s social responsibility is anchored in HOPE, our flagship CSR framework that drives integrated and long-term community impact across geographies. Our efforts span four core pillars:

Healthcare

We deliver last-mile primary healthcare through mobile health units, with a strong focus on preventive and curative healthcare. Our initiatives strengthen maternal and child health, reduce anaemia, and support communities in accessing government health schemes—ensuring improved health outcomes for underserved populations.

Occupational skilling

Our skilling ecosystem comprises industry-aligned technical and vocational training centres and dedicated women skill development programmes. These initiatives enhance employability, build entrepreneurial capabilities, and create sustainable livelihood opportunities for underprivileged youth and women.

Preservation of environment

Through natural resource management and climate-resilient agriculture initiatives, Schaeffler India promotes watershed development, soil and water conservation, and improved agricultural practices. We further empower rural communities by strengthening farmer collectives and village development committees to ensure long-term environmental sustainability.

Empowerment of society

We advance education and community development through support for STEM learning, pre-vocational skilling (IBT), and scholarship programs. In addition, we foster social innovation by partnering with IIMA Ventures for mentorship support. Together, these initiatives contribute to building inclusive, resilient, and future-ready communities.

PRINCIPLE 5
Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

	2025 Current Financial Year			2024 Previous Financial Year		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	1,775	1,653	93%	1,652	1,538	93%
Other than permanent	228	7	3%	150	113	75%
Total Employees	2,003	1,660	83%	1,802	1,651	92%
Workers						
Permanent	1,345	517	38%	1,270	1,229	97%
Other than permanent	3,021	962	32%	2,435	61	3%
Total Workers	4,366	1,479	34%	3,705	1,290	35%

Allied services such as Canteen, Housekeeping, Security, Transportation, and Construction Workers are not included in the reported numbers.

2. Details of minimum wages paid to employees and workers, in the following format

Category	2025 Current Financial Year					2024 Previous Financial Year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1,775	0	0%	1,775	100%	1,652	0	0%	1,652	100%
Male	1,665	0	0%	1,665	100%	1,549	0	0%	1,549	100%
Female	110	0	0%	110	100%	103	0	0%	103	100%
Other than Permanent	228	0	0%	228	100%	150	0	0%	150	100%
Male	195	0	0%	195	100%	121	0	0%	121	100%
Female	33	0	0%	33	100%	29	0	0%	29	100%
Workers										
Permanent	1,345	0	0%	1,345	100%	1,270	0	0%	1,270	100%
Male	1,320	0	0%	1,320	100%	1,245	0	0%	1,245	100%
Female	25	0	0%	25	100%	25	0	0%	25	100%
Other than Permanent	3,021	0	0%	3,021	100%	2,435	0	0%	2,435	100%
Male	2,768	0	0%	2,768	100%	2,272	0	0%	2,272	100%
Female	253	0	0%	253	100%	163	0	0%	163	100%

Allied services such as Canteen, Housekeeping, Security, Transportation, and Construction Workers are not included in the reported numbers.

3. Details of remuneration/salary/wages, in the following format

a. Median remuneration/wages (in ₹)				
	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	7	3,735,000	3 ¹	8,500,000
Key Managerial Personnel (KMP)	2	28,368,294	1	16,825,824
Employees other than BoD and KMP	1,663	1,801,919	109	1,602,316
Workers	2,003	667,247	48	298,739

¹ This includes the remuneration paid to Independent Director Renu Challu in 2025, who has now concluded her term. Allied services such as Canteen, Housekeeping, Security, Transportation, and Construction Workers are not included in the reported numbers.

b. Gross wages paid to female employees as % of total wages paid by the entity, in the following format		
	2025 Current Financial Year (%)	2024 Previous Financial Year (%)
Gross wages paid to female employees as % of total wages	5.2%	4.0%

Allied services such as Canteen, Housekeeping, Security, Transportation, and Construction Workers are not included in the reported numbers.

4. Does the Company have a focal point (individual or committee) responsible for addressing human rights impacts or issues caused or contributed to by the Company? (Yes/No)

Yes.
Schaeffler India Limited has designated individuals and committees responsible for addressing human rights-related issues:

- The Regional Compliance Officer acts as the primary focal point for human rights concerns (Email: complianceindia@schaeffler.com)
- Human rights violations can be reported confidentially through the Whistle-Blower Channel. (Email: weo.india@schaeffler.com)
- At the plant level, Industrial Relations and Administration teams handle human rights-related matters
- Company-level oversight is supported through the POSH Committee and leadership forums such as Executive Leadership Team (ELT) townhalls, which reinforce awareness and accountability

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Schaeffler India Limited has established formal grievance redressal mechanisms under the Human Rights Compliance Policy, applicable to all employees and extended, where relevant, to the supply chain.

The key mechanisms include:

- Policy framework: The Human Rights Compliance Policy defines binding requirements to respect human rights and prevent violations across business operations.
- Primary point of contact: The Regional Compliance Officer serves as the first point of contact for human rights-related concerns (Email: complianceindia@schaeffler.com).
- Whistle-blower mechanism: Employees and external stakeholders may report concerns, including human rights issues, through the Schaeffler Whistleblower System (<https://schaeffler.speakup.report/en-GB/speakup-line/phone-numbers>), which allows anonymous, confidential, and secure reporting and is available in multiple languages.
- Hotline reporting: Human rights grievances can also be reported verbally through designated global telephone hotlines available in several countries, with multilingual support, 24/7. All grievances are reviewed and addressed through established investigation and remediation processes to ensure timely and appropriate resolution.

Germany : +49 800 181 8952 (Language: German, English)
Singapore : +65 6403 7051 (Language: English, Malayan, Chinese, Tamil)
China : +86 4001201842 (Language: Chinese, English)
United States : +1 669 288 7154 (Language: English, Spanish)
Brazil : +55 11 4700 8838 (Language: Portuguese, English)
(If prompted, please enter Company Access Pin: 129150)

6. Number of Complaints on the following made by employees and workers

	2025 Current Financial Year			2024 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	0	0	No POSH complaints received in the year 2025	1	0	The Internal Complaints Committee (ICC) is constituted to redress complaints received regarding sexual harassment. A complaint received in 2024 was investigated in the same year, and the investigation was concluded and punishment awarded in 2024, as required by the POSH Act.
Discrimination at the workplace	0	0		0	0	
Child labour	0	0		0	0	
Forced labour/ involuntary labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights-related issues	0	0		0	0	

7. Details of complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)

	2025 Current Financial Year	2024 Previous Financial Year
Total Complaints Data Needed under Sexual Harassment on of Women at Workplace (Prevention, Prohibition andRedressal) Act, 2013 (POSH) ¹	0	1
Complaints under POSH as a % of female employees/workers	0.0%	0.3%
Complaints under POSH upheld	0	1

¹ No POSH complaints received in year 2025

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Schaeffler India Limited has established formal mechanisms to ensure protection of complainants and prevent retaliation in cases of discrimination or harassment.

- **Anonymous reporting:** Complaints can be reported through the Schaeffler Whistle-Blower platform (SpeakUp system), which allows anonymous reporting and is accessible only to the Compliance function.
- **Confidentiality:** Complaints are handled with strict confidentiality to protect the identity of complainants and witnesses.
- **Anti-retaliation:** The Company follows a zero-tolerance policy against retaliation. Any adverse action against complainants or witnesses is subject to disciplinary action.
- **Fair investigation:** Complaints are investigated in a timely, impartial, and unbiased manner by trained internal teams or external experts, as applicable.
- **Support mechanisms:** Appropriate support measures are provided to complainants during and after the investigation process.
- **Multiple reporting channels:** Complaints may also be reported through HR, designated Ethics or Compliance Officers, or other internal grievance redressal mechanisms. These mechanisms are designed to ensure a safe, secure, and non-retaliatory environment for individuals raising concerns.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Human rights and sustainability requirements form part of Schaeffler India Limited’s supplier engagement and contracting framework.

- All suppliers are required to acknowledge the Business Partner Code of Conduct as a mandatory part of the Business and Supplier Relationship Management (BSRM) process.
- During new supplier selection for production material categories, sustainability and human-rights-related criteria are embedded in the Supplier Initial Assessment (SIA) questionnaire.
- Selected suppliers are required to enter into Sustainability Target Agreements (STA), under which sustainability and human rights objectives are defined and monitored over the term of the agreement These mechanisms ensure that human rights expectations are integrated into supplier relationships and contractual engagements.

[Sustainability](#) | [Schaeffler India](#)

10. Assessments for the year

	% of Company's plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – Freedom of association	100%

Note- Schaeffler India internal assessment done at 4 plants

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at question 10 above.

Action initiated to cover 100% workforce to undergo training on Schaeffler Human Rights Policy and Prevention of Sexual Harassment Act.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.
Nil
2. Details of the scope and coverage of any human rights due-diligence conducted.

Schaeffler India Limited undertakes human rights due diligence through internal assessments and statutory audits, in alignment with Group frameworks.

Human rights due diligence is conducted through a structured questionnaire-based assessment, with 100% coverage of employees across the organisation. The Company’s human rights due diligence framework is aligned with:

- UN Guiding Principles on Business and Human Rights
- National Action Plan on Business and Human Rights (NAP)
- Applicable local legislation

Human rights due diligence is implemented through the Human Rights Compliance Management System, which covers:

1. Accepting responsibility
2. Identifying risks
3. Introducing effective measures
4. Informing and reporting
5. Facilitating grievances

This framework applies to the Company’s own operations and is extended, where applicable, to its supply chain and business partners.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Schaeffler India Limited recognises the importance of compliance with the Rights of Persons with Disabilities Act, 2016, and has initiated measures to make its premises inclusive and accessible. A basic infrastructure development plan for persons with disabilities has been initiated across offices and plants. The facilities being implemented include:

- Appropriate signages
- Ramps, elevators, and handrails, where applicable
- Dedicated parking facilities
- Accessible washrooms/restrooms

The Company is in the process of progressively extending these accessibility measures across all premises to enhance inclusivity for visitors and employees.

4. Details on assessment of value chain partners

Schaeffler India Limited assesses its suppliers through a Sustainability Assessment Questionnaire (SAQ), implemented in a phased manner in line with Group guidelines. The SAQ covers key sustainability and human rights-related areas, including:

- Company management and governance
- Human rights and working conditions
- Health and safety
- Business ethics
- Environmental management
- Responsible supply chain management
- Responsible sourcing of raw materials

This assessment framework enables identification and management of sustainability and human rights risks within the supply chain.

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	39%
Discrimination at workplace	39%
Child labour	39%
Forced/involuntary labour	39%
Wages	39%
Others – Ethical recruiting, working hours, freedom of association and collective bargaining, women’s rights, diversity, equity and inclusion, rights of minorities and indigenous peoples, land, forest and water rights and forced eviction, use of private or public security forces	39%

Note: There is a change in the criteria for selecting suppliers based on risk rating (E class), which has led to a decrease in the percentage of value chain partners covered by the SAQ (Supplier Assessment Questionnaire). The primary objective remains to address the risks associated with these suppliers and improve their performance.

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at question 4 above.

Schaeffler India Limited follows a risk-based approach to address concerns identified through supplier sustainability assessments, including the Sustainability Self-Assessment Questionnaire (SAQ).

Suppliers with low SAQ scores are referred for further evaluation under the Responsible Supply Chain Initiative (RSCI) audit framework, in line with Group guidelines.

During FY2025, one supplier was identified with a low SAQ score and was referred for an RSCI audit. An improvement plan was defined, and the supplier is currently undergoing the RSCI audit process, with corrective actions being monitored as per agreed timelines.

PRINCIPLE 6
Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format

Parameter	2025 Current Financial Year	2024 Previous Financial Year
From renewable sources		
Total electricity consumption (A)(MJ)	183,334,875.1	153,805,840.2
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)(MJ)	183,334,875.1	153,805,840.2
From non-renewable sources		
Total electricity consumption (D)(MJ)	302,821,109.0	260,680,074.0
Total fuel consumption (E)(MJ)	142,603,564.0	122,520,468.0
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)(MJ)	445,424,673.0	383,200,542.0
Total energy consumed (A+B+C+D+E+F)(MJ)	628,759,548.1	537,006,382.2
% of energy consumed from renewable sources (Energy consumed through renewable sources(MJ)/total energy consumed(MJ))	29.2%	28.6%
Energy intensity per rupee of turnover (Total energy consumed (MJ)/Revenue from operations(₹))	0.01	0.01
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed(MJ)/Revenue from operations adjusted for PPP(US\$) ¹	0.1	0.1
Energy intensity in terms of physical output (Total energy consumed (MJ)/physical output (number))	1.5	1.4
Energy intensity (optional) – the relevant metric may be selected by the entity	Not applicable	Not applicable
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, M/s BSI Ltd., M/s EMAS and M/s Intechnica.	Yes, M/s BSI Ltd., M/s EMAS and M/s Intechnica.

¹ The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the years 2025 (20.64) and 2024 (20.29). Source: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>

Note: Data sources
Emission factor (Grid): https://cea.nic.in/wp-content/uploads/baseline/2025/12/User_Guide_V_21.0.pdf
Conversion factor: <https://matmake.com>
Emission factor (fuel): Department for Energy Security and Net Zero - [GOV.UK](https://gov.uk)
Calculation tools and guidance: [GHG protocol](https://ghgprotocol.org)

2. Does the Company have any sites or facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether the targets set under the PAT Scheme have been achieved. In case the targets have not been achieved, provide the remedial action taken, if any.

No, the entity doesn't have any site or facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format

Parameter	2025 Current Financial Year	2024 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	138,792.0	130,726.0
(iii) Third party water	192,083.9	178,165.9
(iv) Seawater/desalinated water	Nil	Nil
(v) Others ²	15,153.0	696.0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	346,028.9	309,587.9
Total volume of water consumption (in kilolitres)	250,186.8	214,211.9
Water intensity per rupee of turnover (Total Water consumed (KL)/Revenue from operations(₹))	0.000003	0.000003
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption(KL)/Revenue from operations adjusted for PPP (US\$)) ¹	0.00006	0.00005
Water intensity in terms of physical output (Total Water consumed (KL)/Physical output (number))	0.0006	0.0006

Parameter	2025 Current Financial Year	2024 Previous Financial Year
Water intensity (optional) – the relevant metric may be selected by the entity	Not applicable	Not applicable
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, M/s BSI Ltd., M/s EMAS and M/s Intechnica.	Yes, M/s BSI Ltd., M/s EMAS and M/s Intechnica.

¹ The revenue from operations has been adjusted for PPP based on the latest PPP conversion factors published by the IMF for the years 2025 (20.64) and 2024 (20.29). <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>
² Other includes rainwater harvested from Hosur, Pune

4. Provide the following details related to water discharged

Parameter	2025 Current Financial Year	2024 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0.0	0.0
No treatment	0.0	0.0
With treatment – please specify level of treatment		
(ii) To Groundwater	0.0	0.0
No treatment	0.0	0.0
With treatment – please specify level of treatment		
(iii) To Seawater	0.0	0.0
No treatment	0.0	0.0
With treatment – please specify level of treatment		
(iv) Sent to third-parties	0.0	0.0
No treatment	0.0	0.0
(v) Sent to Vadodara Municipal Corporation drainage		
No treatment	0.0	0.0
With treatment – tertiary treatment and discharge to Municipal Corporation	95,842.0	95,376.0
Total water discharged (in kilolitres) tertiary treatment	95,842.0	95,376.0
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, M/s BSI Ltd., M/s EMAS and M/s Intechnica.	Yes, M/s BSI Ltd., M/s EMAS and M/s Intechnica.

¹ Treated water is used in gardening, green belt development as per the consent condition in Talegoan, Savli and Hosur plant. Hence total value from this is not accounted in above table.
² As per the consent conditions, treated water is partially dischrged in the sewers in Maneja plant. This value is reflected in the above table.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes.

Schaeffler India Limited has implemented Zero Liquid Discharge (ZLD) mechanisms at three manufacturing locations: Talegaon (Pune), Savli (Vadodara), and Hosur, where 100% of treated wastewater is reused for internal applications such as processes, gardening, and cooling. At the Maneja (Vadodara) plant, treated wastewater is partially discharged to a Common Effluent Treatment Facility (CETP). Initiatives are underway to increase wastewater reuse and reduce freshwater consumption at this location.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format

Parameter	Please specify unit	2025 Current Financial Year ¹	2024 Previous Financial Year
NOx	Metric tonnes	7.2	6.4
SOx	Metric tonnes	0.5	0.5
Particulate Matter (PM)	Metric tonnes	0.8	0.8
Persistent Organic Pollutants (POP)	Metric tonnes	Not available	Not available
Volatile Organic Compounds (VOC)	Metric tonnes	23.9	16.5
Hazardous Air Pollutants (HAP)	Metric tonnes	Not available	Not available
Others – please specify	Metric tonnes	Nil	Nil
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		Yes, M/s. EMAS and M/s. Intechnica	Yes, M/s. EMAS and M/s. Intechnica

¹ Details of Shoolagiri plant are not included. complete details will be avaiable from year 2026

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format

Parameter	Please specify unit	2025 Current Financial Year	2024 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	10,627.9	8,886.1
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) ¹	tCO2e	0.0	0.0
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 emissions (tCO2e)/ revenue from operations(₹))	tCO2e/₹	0.0000001	0.0000001
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 emissions (tCO2e)/revenue from operations adjusted for PPP (US\$)) ²	tCO2e/US\$	0.000002	0.000002
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope1 and 2 emissions (tCO2e)/total physical output(number))	tCO2e/number	0.00003	0.00002
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Units	Not applicable	Not applicable
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		Yes, M/s BSI Ltd. M/s EMAS and M/s Intechnica	Yes, M/s BSI Ltd. M/s KPMG, M/s EMAS and M/s Intechnica

¹ Aligned with our 100% renewable energy target, the Company purchased International Renewable Energy Certificates (I-RECs) to offset Scope 2 emissions, resulting in a declared Scope 2 emission of zero for FY2025 and FY2024. The intensity ratio is based on market-based scope 2 emission. For details of location based emissions refer assurance statement enclosed.
² The revenue from operations has been adjusted for PPP based on the latest PPP conversion factors published by the IMF for the years 2025 (20.64) and 2024 (20.29). <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>
Note: Data source
Emission factor (Grid): https://cea.nic.in/wp-content/uploads/baseline/2025/12/User_Guide_V_21.0.pdf
Conversion factor: <https://matmake.com>
Emission factor (fuel): Department for Energy Security and Net Zero - [GOV.UK](https://gov.uk)
Calculation tools and guidance: [GHG protocol](https://ghgprotocol.org)

8. Does the entity have any project related to reducing greenhouse gas emissions? If Yes, provide details.

Yes.
Schaeffler India Limited (SIL) has implemented multiple projects to reduce GHG emissions through energy efficiency, renewable energy adoption, and process modernisation.

Key initiatives include replacement of inefficient compressors, chillers, motors, and hydraulic systems; optimisation of presses and compressed air usage; and heat-loss reduction through furnace upgrades and insulation measures. Scope 1 emissions have been reduced through adoption of alternative fuels and conversion of conventional furnaces to modern/ electric furnaces, resulting in ~90% emission reduction for those processes.

In FY2025, the Company achieved 100% renewable electricity consumption through a combination of rooftop solar installations, green Power Purchase Agreements (PPAs), and International Renewable Energy Certificates (I-RECs).

Further details are disclosed in Annexure E of the Directors’ Report on conservation of energy.

Yes
Schaeffler India Limited (SIL) has implemented comprehensive energy efficiency programmes that have significantly reduced energy consumption, emissions, and costs. Major initiatives include equipment upgrades, renewable energy adoption, and emission reduction strategies, supported by carbon offset programs. Schaeffler India achieved 100% renewable energy usage in 2025 through a combination of rooftop solar installations, power purchase agreements, and purchase of International Renewable Energy Certificates (I-RECs).

1. Energy efficiency initiatives
- Compressor replacement:** Upgrade of air compressors for improved air efficiency and reduced power consumption.
- Energy optimisation:** Hydraulic press optimization to enhance energy use during assembly.
- Old equipment replacement:** Modernisation by replacing old chillers, compressors, and motors (e.g., Nova machine motor and Broach Hydraulic motor).
- Heat recovery:** Installing bell furnace covers to reduce heat loss due to radiation.
- Process improvements:**
Reducing air pressure on Jupiter machines.

Installing barrel heater jackets on IMD machines for better heating efficiency.
Hydraulic motor exchange: Replacement in broach machines for improved efficiency.

Innovation: A low-temperature zinc phosphate coating process has been developed and implemented at the Schaeffler India Maneja plant, which reduces energy consumption by approximately 70% compared to the prevailing zinc phosphate process and lowers costs by nearly 50% compared to the current cost incurred. In addition, it significantly reduces the CO2 footprint of bearing products.

2. Renewable energy achievements

Schaeffler India Limited achieved 100% renewable energy consumption by:
Purchasing International Renewable Energy Certificates (I-RECs)
Entering into Power Purchase Agreements (PPAs) for green energy
Installing rooftop solar panels at plant locations

3. Emission reduction measures (Scope 1)

Alternate Fuels: Adoption of alternative fuels to reduce direct emissions.
Furnace modernisation: Conversion of conventional furnaces to modern or electric furnaces, lowering emissions by approximately 90%.
For comprehensive details, please refer to Annexure E in the Directors' Report on conservation of energy..

9. Provide details related to waste management by the entity, in the following format

Parameter	2025 Current Financial Year ⁵	2024 Previous Financial Year
Total waste generated (in metric tonnes)		
Plastic waste (A)	299.2	316.5
E-waste (B)	5.06	2.8
Bio-medical waste (C)	0.03	0.0
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	2.25	11.9
Radioactive waste (F)	Nil	Nil
Other hazardous waste. Please specify, if any. (G) ²	1,235.4	1,084.8
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) ³	34,002.7	29,937.2
Total (A+B + C + D + E + F + G + H)	35,544.7	31,353.2
Waste intensity per rupee of turnover (Total waste generated (MT)/revenue from operations (₹))	0.0000004	0.0000004
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated (MT)/revenue from operations adjusted for PPP (US\$) ¹	0.000008	0.0000079
Waste intensity in terms of physical output (Total waste generated (MT)/physical output (number))	0.0000846	0.0000820
Waste intensity (optional) – the relevant metric may be selected by the entity	Not applicable	Not applicable
For each category of waste generated, total waste recovered through recycling, reuse or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	34,316.1	30,401.5
(ii) Reused	358.8	Nil
(iii) Other recovery operations	Nil	Nil
Total	34,674.9	30,401.5
Waste inetnsity (MT of Waste Recycled Recovered/Total Waste generated)	97.6%	97.0%
For each category of waste generated, total waste disposed by disposal method (in metric tonnes)		
Category of waste ⁴		
(i) Incineration	0.0	315.9
(ii) Landfilling	15.0	137.1
(iii) Other disposal operations	Nil	Nil
(iv) Waste sent for co-processing	854.7	492.1
Total	869.7	945.2
Waste inetnsity (MT of waste disposal/total waste generated)	2.4%	3.0%
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	Yes, M/S BSI Ltd., Tüv Nord Group, M/s. EMAS and M/s. Intechnica	Yes, M/s BSI Ltd. M/s KPMG, M/s. EMAS and M/s. Intechnica

¹ The revenue from operations has been adjusted for PPP based on the latest PPP conversion factors published for the years 2025 (20.64) and 2024 (20.29). <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>
² Hazardous waste: Consists of process dust, chemical sludge, waste or residue containing oil.
³ Non-hazardous waste: The major portion of non-hazardous waste consists of metal scrap and castings, which are sent back to the steel industry and foundries for recycling.
⁴ Waste disposal methods: Land filling, co-processing/pre- processing through incineration with heat recovery, incineration, recycling, composting, cattle feeding
⁵ All waste details are audited as a part of the Zero Waste to Landfill audit by the Tüv Nord Group for 2025.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste.

We align our waste and resource management approach with India’s Hazardous Waste Management Rules and global circular economy principles, prioritising waste prevention, material efficiency, and value recovery across operations. Our strategy focuses on minimising resource extraction, maximising material circularity, and eliminating landfill dependency.

- Schaeffler India achieved 97% waste recycling and recovery and achieved Zero Waste to Landfill status as of December 31, 2025.
- This has significantly reduced environmental burden by preventing land, soil, and groundwater contamination, minimising methane emissions from landfill disposal, and supporting Scope 3 emission reduction efforts.
- We are advancing waste-to-value initiatives by integrating circular design and operational excellence. A notable example includes converting foundry waste such as casting moulding sand—traditionally associated with ~50% wastage—into construction bricks, which were utilised in our greenfield projects, demonstrating closed-loop material integration.
- Hazardous waste streams, including ETP sludge and grinding sludge, are responsibly managed through authorised co-processing in cement kilns, reducing landfill reliance and enabling energy and material recovery. During the reporting period, 854.7 tonnes of hazardous waste was diverted for co-processing, ensuring environmentally sound treatment aligned with circular economy principles.
- We maintain strict compliance with global chemical management frameworks including REACH and RoHS, supported by a robust Declarable Substances Register, along with ongoing monitoring, verification, and supplier engagement.
- Further, we enable internal water circularity ensuring complete reuse of treated wastewater for process and utility applications.
- Returnable and reusable packaging solutions are deployed across the value chain to enhance resource efficiency, reduce waste intensity, and lower lifecycle environmental impacts.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
The Company has no operations or offices in or around ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

1.5	EIA Notification No.	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Not applicable, as no projects that required an Environmental Impact Assessment were undertaken by the Company.				

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format

Yes. We have complied with all applicable laws, regulations and guidelines

Sr. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Nil				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)

For each facility/plant located in areas of water stress, provide the following information:

Schaeffler India Limited operations do not fall under any water-stressed areas.

(i) Name of the area

Schaeffler India Limited operations do not fall under any water-stressed areas.

(ii) Nature of operations

Schaeffler India Limited operations do not fall under any water-stressed areas.

(iii) Water withdrawal, consumption and discharge in the following format

Not applicable, since Schaeffler India Limited operations do not fall under any water-stressed areas.

2. Please provide details of total Scope 3 emissions and its intensity, in the following format

Note: A comprehensive inventorisation activity for Scope 3 emissions is currently underway across all applicable categories. This effort is progressing to ensure accurate and complete assessment of indirect greenhouse gas emissions in alignment with sustainability reporting requirements.

3. With respect to the ecologically sensitive areas data needed at question 10 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Even though our operations are not situated in ecologically sensitive areas, we make a conscious effort to conserve and sustain local biodiversity around our operations. For example, green belt development is undertaken to enhance biodiversity within the premises, and lake development activities are carried out in villages surrounding the plants.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format

Sr. No.	Initiative undertaken	Details of the initiative (web link, if any, may be provided along with the summary)	Outcome of the initiative
1	Renewable energy	Purchased I-RECs	In alignment with our 100% renewable energy target, the Company purchased International Renewable Energy Certificates (I-RECs) to offset Scope 2 emissions, resulting in a declared zero Scope 2 emission for FY2025.
2	Energy efficiency	Compressor replacement to improve air efficiency, energy optimisation of assembly hydraulic press, old chiller replacement, Nova machine motor replacement, replacement of old compressors, bell furnace cover installation to reduce waste heat due to radiation, reduction of air pressure in Jupiter machine, barrel heater jacket installation on IMD machine, exchange broach hydraulic motor replacement	1.5 GWh savings achieved
3	Fresh water withdrawal	Rainwater harvesting; reuse or recycling of RO reject water for industrial purposes such as chillers and cooling towers; reuse of RO reject water in Segment 5-BB-140 area	15,935.13 m3 achieved
4	Zero waste to landfill	Hazardous waste sent for co-processing	854.7 tons of hazardous waste sent for co-processing/pre-processing, achieved zero waste to landfill in year 2025 (certification under process).

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes.

Schaeffler India Limited (SIL) has established a robust Business Continuity, Contingency, and Crisis Management Policy focused on hazard prevention, ensuring uninterrupted customer supply, and effective crisis response. We have internal policy, namely, Business Continuity, Contingency and Crisis Management. The policy mandates employee adherence, defines escalation stages for incidents, integrates IT disaster recovery, and employs a risk management system with structured risk reporting and mitigation.

1. Policy objectives

Deliver a clear regulatory framework for business continuity, with emphasis on:

- Contingency management to prevent hazards and maintain customer supply.
- Crisis management to manage and respond to serious incidents.

Applicable to all employees within the scope.

2. Escalation and reporting

Several escalation stages established to classify incidents:

- Disruption
- Emergency
- Emergency with crisis potential
- Local/regional crisis
- Mandatory reporting of any situation, even if outside these categories, to maintain vigilance.

3. Proactive and integrated planning

- Aims to develop a comprehensive, proactive approach for disaster preparedness, mitigation, and response.
- Facilitates coordination across departments to manage emergencies effectively.

4. IT security and disaster recovery

- Highest IT security standards maintained.
- Comprehensive Information Technology Disaster Recovery Plan complements the Business Continuity Plan.

5. Specific Schaeffler Procedure

- The “Contingency management with focus on the ability to supply” procedure (internal) defines roles and steps for production, distribution, and support functions.
- Ensures the Company can continue to meet customer supply demands during emergencies or resource shortages.
- Regulates technical, organisational, environmental, and safety measures to protect personnel and equipment.
- Maintains customer contact and supply continuity even under contingency conditions.

6. Risk management system:

- Reports potential risks using valuation criteria.
- Defines and implements action plans to mitigate identified risks.
- Supports continuous risk monitoring and improvement.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

No significant adverse environmental impacts specific to the value chain were identified during the reporting period. However, Schaeffler India Limited recognises potential environmental impacts associated with supplier operations, transportation, and packaging, and has implemented mitigation measures to address these risks.

Mitigation measures undertaken:

Sustainable supply chain

- More than 60% of Schaeffer’s inputs are sourced through sustainable sourcing.
- The assessment promotes alignment with the Company’s sustainability standards and drives continuous improvement within the supplier base.

Transportation optimisation

- Consolidated Distribution Centres (CDCs) have been implemented to optimise warehousing and logistics.
- CDCs enable improved load consolidation, reduced transportation distances, and lower fuel consumption and emissions.

Returnable packaging

- The Company collaborates with customers to adopt returnable packaging solutions.
- This initiative reduces single-use packaging waste and supports circular economy practices.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

We have assessed 67% of our production material suppliers through Schaeffler Self-Assessment Questionnaire (SAQ) covering various aspects such as environmental impacts and certifications. Schaeffler encourages all suppliers to adopt better environmental practices through ISO 14001 certifications.

No. of value chain partners that were assessed	% of value chain partners (by value of business done with such partners) that were assessed	Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?
300	67% ¹	No negative environmental impacts on its value chain

¹ based on PVO

8. How many green credits have been generated or procured?

	2025 Current Financial Year
a. By The listed entity	Nil
b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners	Details not available

PRINCIPLE 7
Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations
Schaeffler India Limited has 7 affiliations with trade and industry chambers/associations.
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.
- | Sr. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/associations (State/National) |
|---------|---|--|
| 1 | The Automotive Component Manufactures Association of India (ACMA) | National |
| 2 | The Confederation of Indian Industry (CII) | National |
| 3 | Indo-German Chamber of Commerce (IGCC) | National |
| 4 | Employers Federation of India, Chennai | State |
| 5 | Hosur Industries Association | State |
| 6 | Federation of Gujarat Industries | State |
| 7 | Gujarat Chamber of Commerce & Industry | State |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.
- | Sr. No. | Name of authority | Brief of the case | Corrective action taken |
|---------|-------------------|-------------------|-------------------------|
| Nil | Nil | Nil | Nil |

During the current financial year, the Company did not receive any adverse orders from regulatory authorities regarding anti-competitive conduct. As a result, there is no corrective action required or underway.

Leadership Indicators

1. Details of public policy positions advocated by the entity

Sr. no	Public policy advocated	Method resorted to such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by the Board (annually, half yearly, quarterly or others – please specify)	Web link, if available
1	BIS Technical Committee PGD13 – the first revision of IS 4216 – cages for needle roller bearings specification	As a committee member, Schaeffler India was assigned to review this Indian standard. After evaluating the standard for global changes, Schaeffler India recommended the committee to reaffirm the standard	Yes	NA	https://www.bis.gov.in/
2	BIS Technical Committee PGD13- major amendment of IS 4773: 2023: Rolling Bearings – Plummer Block Housings – Boundary Dimensions. IS 6457: 2024: SINGLE ROW CYLINDRICAL ROLLER BEARINGS – SPECIFICATION	Schaeffler India is the primary drafter of the new version of IS 4773, year 2023. in 2024, Schaeffler India again revised the technical draft after comments from the committee members	Yes	NA	https://www.bis.gov.in/

Sr. no	Public policy advocated	Method resorted to such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by the Board (annually, half yearly, quarterly or others – please specify)	Web link, if available
3	BIS Technical Committee PGD13- major amendment of IS 6457: 2024: SINGLE ROW CYLINDRICAL ROLLER BEARINGS – SPECIFICATION	Schaeffler India was the primary drafter of the new version of IS 6457, year 2023. We created a new technical draft that was reviewed by other members of the BIS PGD13 committee. In 2024 Schaeffler India again revised based comments	Yes	NA	https://registr.identitydigital.services/Auth/Login
4	BIS Technical Committee PGD13- Major amendment of IS 3090:2023 INSTALLATION AND MAINTENANCE OF ROLLING BEARINGS – CODE OF PRACTICE	The Company contributed to the redrafting of IS 3090:2023 and its final revision in 2024	Yes	NA	https://www.bis.gov.in/
5	BIS Technical Committee MTD16 – amendment of IS17111 -Heat - Treated steels, alloy steels and free - Cutting steels - Ball and roller bearing steels	Schaeffler contributed in by recommending addition of new material grade in the standard. This is pending within the MTD16 Committee. The IS17111-2019 was indeed reaffirmed as IS17111-2024	No	NA	https://www.bis.gov.in/
6	BIS Technical Committee MTD16 - review of the revision of ISO 683:2020, Amendment 1,	Supported BIS MTD 16 in the review of amendments and the release of new standards; more than 10 standards were evaluated during the review process. Evaluated and reviewed applications received by BIS MTD 16 related to topics under QCO, applicable to requirements from different ministries.	No	NA	
7	BIS Technical Committee PGD13- Drafting and reviewing of existing standards in 2025	Reviewed and redrafted several clauses of existing IS standards IS 6454, 6455, 6456, 6457, 6458, 12102	Yes	NA	https://www.bis.gov.in/

PRINCIPLE 8
Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

According to applicable laws, a Social Impact Assessment (SIA) is not mandatory for any of the projects undertaken by us. However, demonstrating our commitment to social responsibility, the Company proactively assesses the need for and evaluates the impact of major CSR projects. This impact assessment is conducted in alignment with the CSR Rules of 2014.
- | Name and brief details of project | SIA Notification | Date of notification | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant web link | Relevant web link |
|-----------------------------------|------------------|----------------------|---|--|-------------------|-------------------|
| Not applicable | | | | | | |
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

We have not undertaken any new projects that require Rehabilitation and Resettlement (R&R). The majority of our plants and projects are located on land leased or owned by the Industrial Development Corporation.
- | Name of project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the Financial Year (In ₹) |
|--|-------|----------|---|--------------------------|---|
| Not applicable | | | | | |
3. Describe the mechanisms to receive and redress grievances of the community

We are committed to community development not only around our plant locations but also across other operational geographies. Schaeffler India actively engages with local communities and takes systematic measures to redress their grievances and concerns.

- To ensure transparent and accessible communication, we maintain open registers at all our plant locations, where community stakeholder groups can record their issues, feedback, or suggestions.
- In addition, community members may reach out to us through our implementing agencies and NGO partners, who remain in continuous engagement with village institutions, beneficiaries, and community representatives.
- We also provide multiple additional grievance redressal channels, including the option for community members to submit formal physical letters addressing their concerns directly to Schaeffler India. Furthermore, our contact numbers and email IDs are publicly available on our website and can be used for any grievance submission or follow-up communication: <https://www.schaeffler.co.in/en/meta/contact/>
- All concerns collected through these channels are discussed jointly with community members, elected representatives of Panchayats, and other local bodies.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

	2025 Current Financial Year	2024 Previous Financial Year
Directly sourced from MSMEs/small producers	20.0%	20.0%
Directly from within India	85.5%	85.0%

Note: Excluding inter-company purchases

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	2025 Current Financial Year	2024 Previous Financial Year
Rural	57.0%	57.8%
Semi-urban	0.0%	0.0%
Urban	25.7%	23.3%
Metropolitan	17.2%	18.9%

(Place categorised as per RBI Classification System - rural/semi-urban/urban/metropolitan) [Home](#) | [Government of India](#)

Note: For calculation we are considering total number of employees and workers reported in 'Section A' IV.a

Allied services such as Canteen, Housekeeping, Security, Transportation, and Construction Workers are not included in the reported numbers.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: question 1 of Essential Indicators above)

According to applicable laws, SIA (Social Impact Assessment) is not required for any of the projects undertaken by us during Financial Year 2025.

Details of negative social impact identified	Corrective action taken
Not applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

(₹ in Million)			
Sr. No.	State	Aspirational district/aspirational blocks	Amount spent
1.	Gujarat	Narmada	8.1
2.	Madhya Pradesh	Singrauli	35.1
3.	Maharashtra	Surgana (Nashik)	27.7
4.	Tamil Nadu	Thiruvannamalai (Jawathu Hills)	14.0

Note: 1. Out of 112 aspirational districts notified by NITI Aayog (Sr. no 36 as per list).
2. Out of 112 aspirational districts notified by NITI Aayog (Sr. no 69 as per list).
3. Out of 500 as per The Aspirational Blocks Programme (ABP), (Sr. no 276 as per list of aspirational blocks)
4. Out of 500 as per The Aspirational Blocks Programme (ABP), (Sr. no 379 as per list of aspirational blocks)

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

No. Our organisation selects suppliers based on a comprehensive evaluation of parameters including cost, quality, delivery, technology, and sustainability. Suppliers must comply with established sourcing guidelines before being awarded projects. Additionally, collaboration with MSME suppliers focuses on enhancing their technical capabilities and quality standards.

(b) From which marginalised/vulnerable groups do you procure?

Not applicable as answer to above question (a) is “No”

(c) What percentage of total procurement (by value) does it constitute?

Not applicable as answer to above question (a) is “No”

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

Sr. No.	Intellectual property based on traditional knowledge	Owned/acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1.	Nil	Nil	Nil	Nil

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable, as there are no adverse orders in intellectual property related disputes wherein the usage of traditional knowledge was involved.

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalised group
1	Schaeffler India HOPE Engineering Scholarship Program	109	100
2	Women Skill Development Project	251	100
3	STEP Vadodara	358	100
4	Mobile Health Unit – Talegaon	16,449	100
5	Pre-Vocational Education Program in Govt Schools	1,133	100
6	Mobile Health Unit – Hosur	6,554	100
7	Energy-Efficient Cookstove Project	42,566	100
8	Wadi - Agro Horti Forestry Project	1,600	100
9	Mobile Science Lab – Hosur	3,459	100
10	Mobile Science Lab, Vadodara	5,660	100
11	Nitara - Phase II	85	100
12	Mobile Health Unit - Vadodara	35,238	100
13	Jal Jeevika - Watershed Project	4,254	100
14	SAKSHAM: Empowering Every Ability	239	100
15	School Infrastructure Improvement Project	1,417	100
16	Skill Development of Youth in STEP Center, Pune	181	63
17	Pre-vocational Education Program in Govt Schools - Phase II	1,974	100
18	Schaeffler Skill Development Center in Hosur	300	63
19	Watershed Project Hosur	4,298	100
20	Watershed Project Jawadhu Hills	2,734	100
21	Community Drinking Water and Infrastructure Project	280	100

PRINCIPLE 9
Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

- At Schaeffler India, we have a robust system in place for tracking and addressing customer complaints effectively
- Our process is guided by the Schaeffler Global Handbook, which provides a comprehensive procedure for receiving and resolving customer complaints and feedback.
 - The entire complaint management workflow is administered through SAP IQOS, enabling end-to-end tracking of complaints and identification of necessary corrective actions.
 - Customer concerns related to key accounts are managed by the respective Key Account Contact Manager.
 - For regional accounts, complaints or concerns are initially handled by the Sales Head of the relevant business unit. If needed, these issues are escalated to appropriate functions such as Quality, Delivery, or others for resolution.
 - At scheduled intervals, customer satisfaction trends are analysed and assessed by top management to inform directives for enhancement.

Note: Schaeffler India Limited supplies its products to OEM companies, which use these intermediary products in their final product sold to the consumer. So, for Schaeffler India Limited consumers are these OEM companies i.e customers and has limited scope to directly reach to consumer.

2. Turnover of products/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover	
Environmental and social parameters relevant to the product	100%	We comply with the Legal Metrology (Packaged Commodities) Rules, 2011 for product labeling. Additionally, we adhere 100% to REACH and IMDS guidelines to ensure our products meet regulations regarding restricted and hazardous substances.
Safe and responsible usage	100%	All products are designed and manufactured in accordance with Schaeffler's internal product safety guidelines. The outer packaging of each product prominently displays the "Recyclable" symbol.
Recycling and/or safe disposal	100%	All our products comply with the Global Material Governance Standards, adhering strictly to specified thresholds for restricted elements to ensure limits are never exceeded. We also follow the IMDS (International Material Data System), a globally recognised, internet-based system for declaring the safe use and disposal of parts.

3. Number of consumer complaints in respect of the following:

	FY 2025 Current Financial Year		Remarks	FY 2024 Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive trade practices	Nil	Nil	-	Nil	Nil	-
Unfair trade practices	Nil	Nil	-	Nil	Nil	-
Other	59 ¹	3 ²	¹ - Considered all justified zero km(CCO) complaints for the year ² - The number of complaints that have remained unresolved for more than six months is reported here, with delays justified by the (CCO) due to extended lead times required for corrective actions.	46 ¹	Nil ²	¹ - Considered all justified zero km(AF) complaints for the year ² - Number of complaints not closed more than 6 months (AF justified)

4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	0	Not applicable
Forced recalls	0	Not applicable

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web link of the policy.

Yes.

Cybersecurity at Schaeffler is a comprehensive effort that spans multiple functions across the orgainsation. We have established robust and effective cybersecurity procedures as defined by the Schaeffler Group. Our operations strictly follow Group-wide policies on cybersecurity and data privacy.

We are guided by the Code of Conduct, which emphasises the “protection of personal data,” reflecting our strong commitment to safeguarding the data of both our customers and employees. The Group’s privacy policy, which we adhere to, is publicly accessible on our company website: <https://www.schaeffler.co.in/en/meta/privacy-policy/>.

In addition to the Group-level policies, we maintain internal information and cybersecurity policies. Our internal framework addresses cybersecurity challenges and data privacy risks comprehensively. This framework ensures compliance with applicable legal and normative requirements related to information security and data protection, as well as the specific requirements of our customers. To maintain and verify compliance, we conduct regular risk assessments and effectiveness evaluations through both internal and external information security audits.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No such instances occurred during the reporting year.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches
Nil, there were no instances of reportable data breaches.
- b. Percentage of data breaches involving personally identifiable information of customer
Nil, there were no instances of reportable data breaches.
- c. Impact, if any, of the data breaches
NA, as anwers to above questions is nil.

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information regarding products is available in the Products & Solutions section of our website:
<https://www.schaeffler.co.in/en/products-and-solutions/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

- Based on customer request our Application and Technical Service Team regularly visits and makes customer's teams aware on safe and responsible usage. From our end, we regularly seek customer permission to present Technical Seminars which cover various aspects including product safety and user safety.
- We regularly conduct customer meets where all the customers of a region are invited and knowledge on safety as well as queries are handled.
- Technology workshops with OEMs are arranged to enhance customer knowledge and understanding.
- We educate our consumers on fitment guidelines to ensure safe usage of our product parts. All the specifications and information on safe and responsible usage of our products is made available in the product catalogue.
- SPOCs (Special Point of Contacts) have been defined for each customer. More details about our products and services can be found on the following link: <https://www.schaeffler.co.in/en/products-and-solutions/>
- During dealer training sessions and workshops, we provide detailed explanations of the product and its manual to ensure a thorough understanding.

Note: Schaeffler India Limited supplies its products to OEM companies, which use these intermediary products in their final product sold to the consumer. So, For Schaeffler India Limited, the consumers are OEM companies, i.e., customers, and the Company has limited scope to directly reach consumers.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

- We follow the procedure “Contingency Management with Focus on the Ability to Supply”, available in the Management Handbook (internal document). The procedure specifies the actions required for production and distribution at the site, as well as relevant support and service functions, to ensure continuity of customer supply in the event of resource outages or other defined emergency situations. This Group procedure regulates the technical, organisational, environmental and safety-oriented measures, along with the responsible areas and departments, to prevent hazards to persons and equipment, maintain customer communication and ensure continued supply of goods and services during contingency situations.
- Key account managers serve as the primary points of contact for customer support and query resolution.
- In case of any risk with respect to product delivery to customer (Force Majeure) customers are notified in advance as per the agreed terms, through mails, calls, distribution network and sales representatives for any disruption in services.
- Manufacturing plant would usually inform the product management team of any such disruption.
- Accordingly, the customers who are likely to be impacted are identified and a formal communication informing them of the risk/disruption is done along with recovery measures (if any are identified at that point). We also maintain sufficient safety stock in our warehouses to cater to contingencies and are able to inform customers in advance in case of any unforeseen risks like supply chain disruptions etc.
- A robust process is in place to manage contingency situations and mitigate the risk of disruption or discontinuation of essential services to customers.

Note: Schaeffler India Limited supplies its products to OEM companies, which use these intermediary products in their final product sold to consumer. For Schaeffler India Limited, the consumers are OEM companies, i.e., customers, and the Company has limited scope to directly reach consumers.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes. We ensure that all our products display clear and accurate information in compliance with applicable local laws and regulations. Beyond complying with legal requirements, we offer additional product information to help customers gain a deeper understanding of our offerings. As an example, based on customer request, we do provide a Unique Identification number on selected product type, which allows us to trace back the manufacturing and assembly details of products. In our media library, you will find catalogues, brochures, mounting instructions, technical product information, data sheets and other publications relating to our products .

Technical publications by the Automotive Aftermarket Division like brochures, installation guides, or service information are available at our garage portal www.repxpert.com.

More details about our products and services can be found on the following link: <https://www.schaeffler.co.in/en/products-and-solutions/>.

Customer Satisfaction Surveys

We conduct customer surveys biennially to assess consumer satisfaction concerning major products, key locations of operations, and the overall business entity. Our most recent survey was conducted in 2025. The survey feedback is thoroughly analysed and discussed, serving as a basis to develop strategies aimed at resolving any identified issues.

Note: Schaeffler India Limited supplies its products to OEM companies, which use these intermediary products in their final product sold to consumer. For Schaeffler India Limited, the consumers are OEM companies, i.e., customers, and the Company has limited scope to directly reach consumers.



INDEPENDENT ASSURANCE OPINION STATEMENT

To, Schaeffler India Limited (SIL)

Holds Statement No.: 840998-2

The British Standards Institution (BSI) has conducted a reasonable assurance engagement on the sustainability information (described in the “Scope”) in the Business Responsibility and Sustainability Report (BRSR Core KPI’s) for CY 2025 of Schaeffler India Limited (SIL)

Scope

The scope of engagement agreed upon with Schaeffler India Limited (SIL) includes the following:

The assurance covers the information of the following subject matters in the Business Responsibility and Sustainability Report (BRSR Core KPI’s) for the reporting period of 1st January 2025 to 31st December 2025 (CY 2025).

- Green-house gas (GHG) footprint - P6:E7
- Water footprint - P6:E3 and P6:E4
- Energy footprint - P6:E1
- Embracing circularity - P6:E9
- Enhancing Employee Wellbeing and Safety - P3:E1(C), P3:E11
- Enabling Gender Diversity in Business - P5:E3(B), P5:E7
- Enabling Inclusive Development - P8:E4, P8:E5
- Fairness in Engaging with Customers and Suppliers - P9:E7, P1:E8
- Open-ness of business – P1:E9

The selected information’s are reported in accordance with Business Responsibility and Sustainability Report (BRSR Core KPI’s).

The details of subject matters and their boundaries within the scope is described in Appendix A and Appendix B in this independent assurance opinion statement.

Corporate overview

Year 2025

Strategy

Business review

ESG

Statutory reports

Financial statements

Notice

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169

170



Opinion Statement

We have conducted a reasonable assurance engagement on the sustainability information described in the “Scope” above (BRSR for CY 2025 covering core KPIs mentioned in Annexure-I: format of BRSR core, provided by SEBI, covering disclosures on Green-house gas (GHG) footprint, Water footprint, Energy footprint, Embracing Circularity, Enhancing Employee Wellbeing and Safety, Enabling Gender Diversity in Business, Enabling Inclusive Development, Fairness in Engaging with Customers and Suppliers, Open-ness of business).

In our opinion, the accompanying sustainability information is fairly presented, in all material aspects, in accordance with the Business Responsibility and Sustainability Report (BRSR Core KPI’s) for the reporting period 1st January 2025 to 31st December 2025.

Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised) assurance standard following the principles of Integrity, Objectivity, Professional competence and due care, Confidentiality, and Professional behaviour. ISO 14064-3:2019 assurance standard is used for information related to GHG statement. Our work was designed to gather evidence on which to base our opinion conclusions.

We undertook the following activities:

- Assessment of the organization’s reporting and management processes concerning this reporting against the principles of relevance, completeness, reliability, neutrality, understandability.
- Data verification on reasonable level sampling including asking for internal controls and implementation of internal controls, SOPs for data gathering and reporting mechanism.
- Interviews with staffs involved in sustainability management, BRSR report preparation and ESG data management and calculation of final numbers.
- Document review of relevant systems, policies, and procedures wherever available.
- Review of supporting evidence for claims made in the reports.
- Traceability of information from the origin and testing at site for measurement procedures
- Review of data pertaining to the sampled units of TSIL, to confirm the data collection processes, record management practices, and check BRSR Core KPI’s physically and through virtual mode.

Responsibility

Schaeffler India Limited (SIL) is responsible for the preparation and fair presentation of the sustainability information in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

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Independence, Quality Control and Competence

BSI is independent to Schaeffler India Limited (SIL) and has no financial interest in the operation of The Schaeffler India Limited (SIL) other than for the assurance of the sustainability statements contained in the Business Responsibility and Sustainability Report (Core KPIs).

This independent assurance opinion statement has been prepared for the stakeholders of Schaeffler India Limited (SIL), only for the purposes of verifying its statements relating to its environmental, social and governance (ESG) KPI’s as required in SEBI-BRSR Core Format, more particularly described in the Scope above and detailed in Appendix-A.

This independent assurance opinion statement is prepared on the basis of review of information provided to BSI by Schaeffler India Limited (SIL). In making this independent assurance opinion statement, BSI has assumed that all information provided to it by Schaeffler India Limited (SIL) is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team has extensive experience in conducting verification over environmental, social and governance (ESG), GRI Universal Standard 2021, AA1000AS, ISO10002, ISO 14001, ISO 45001, ISO 14064, ISO 14067, ISO 14068, ISO 50001, and ISO 9001, etc. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

Issue Date: 22-03-2026
For and on behalf of BSI:
Ishan

Ishan Mehrotra, Lead Assurer

Emmanuel Herve, Managing Director, South & South East Asia (S&SEA)

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Appendix A

Sr. No.	Attribute	Parameter	Unit of Measurement	Final Value	Cross Reference to BRSR
1	GHG Emissions	Total Scope-1 Emissions	tCO2e	10627.9 <i>Emission factors used are from IPCC- GWP values from AR6, UK-Defra 2025, CEA database version 21, third party tools</i>	P6-E7
		Total Scope-2 Emissions	tCO2e	Location based- 92221 Market based- 0 <i>Published are location-based emission numbers, organization also has purchased IRECs in the corresponding year totalling 142317 MWH.</i>	
		GHG Emission Intensity (Scope 1 +2)	Total Scope 1 and Scope 2 emissions (tCO2e) / Total Revenue from Operations adjusted for PPP:	0.0000024 <i>Intensity ratio is basis on market-based scope-2 consideration</i>	
		GHG Emission Intensity (Scope 1 +2)	Total Scope 1 and Scope 2 emissions (tCO2e) / product output(numbers)	0.00003	
2	Water Footprint	Total water consumption	KL	250186.8	P6-E3, E4
		Water consumption intensity	KL/(PPP adjusted revenue from operations) USD	0.00006	
		Water consumption intensity	KL/ product output(numbers)	0.0006	
		Water Discharge by destination and levels of Treatment	KL	95842 <i>Tertiary treatment and discharge to municipal network</i>	
3	Energy Footprint	Total Energy Consumed	MJ	628759548.1	P6-E1
		Percentage of energy consumed from renewables	%	29.2%	
		Energy Intensity	MJ / USD (PPP adjusted revenue from operations)	0.1	
		Energy Intensity	MJ / physical output(number)	1.5	

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4	Embracing circularity - details related to waste management by the entity	Plastic waste (A)	MT	299.2	P6-E9
		E-waste (B)	MT	5.06	
		Bio-medical waste (C)	MT	0.03	
		Construction and demolition waste (D)	MT	0.00	
		Battery waste (E)	MT	2.25	
		Radioactive waste (F)	MT	0.00	
		Other Hazardous waste. Please specify, if any. (G)	MT	1235.4 <i>Process dust, chemical sludge, Waste or Residue Containing Oil</i>	
		Other Non-hazardous waste generated (H).	MT	34002.7 <i>MS Punching, MS Boring, Steel dust CI Boring, garden waste</i>	
		Total waste generated ((A+B + C + D + E + F + G + H)	MT	35544.7	
		Waste intensity	MT/ USD (PPP adjusted revenue from operations)	0.000008	
		Waste intensity	MT/ product output(nos.)	0.000085	
		For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations	MT recycled	34316.1	
			Intensity (recycled/total generated)	97.6%	
		For each category of waste generated, total waste disposed by nature of disposal method – other disposal options	MT	869.7 <i>Land filling, Co-processing, Incineration, Recycling, Composting, cattle feeding, pre-processing</i>	
			Intensity (other disposal option/total generated)	2.4%	
		Spending on measures towards well being of employees and workers (including permanent and other than permanent)	Cost incurred on well-being measures as a % of total revenue of the company	0.11% <i>Also includes yoga day, family engagement, festival celebration. Occupational health centres costs excluded.</i>	

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5	Enhancing Employee Wellbeing and Safety	Details of safety related incidents for employees and workers (including contract-workforce)	Safety Incidents: Permanent Disability	0	P3- E1(C) P3- E11
			Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees – 0 Workers – 0.1	
			No. of fatalities	0	
6	Enabling gender diversity in business	Gross wages paid to females as % of wages paid(permanent, other than permanent- employee and workers)	In % age terms	5.2% While calculating percentage, total salaries and wages are derived from the HR payroll records for denominator.	P5-E3(b), E7
			Total Complaints on Sexual Harassment (POSH) reported	0	
		Complaints on POSH (including permanent and other than permanent)	Complaints on POSH as a % of female employees/ workers	0	
			Complaints on POSH upheld	0	
7	Enabling inclusive development	Input material directly sourced from MSMEs/ small producers from within India, as percentage of total purchase (Viz., raw material, spares, services, capex procurement items etc.)	In % terms -As % of total purchases by value	20% While calculating this ratio, intercompany purchases are excluded in the denominator.	P8-E4,E5
		Directly from within India	In % terms -As % of total purchases by value	85.5%	
		Job creation in smaller towns -Wages paid to persons employed in smaller towns (permanent or other than permanent) as % of total wage cost	In % terms -As % of total wage cost	Rural – 57% Semi-urban – 0% Urban – 25.7% Metropolitan – 17.2% Canteen, Housekeeping, Security, Transportation, construction workers not included while calculating this ratio.	
8	Fairness in Engaging with	Instances involving loss/ breach of data of customers as a percentage of total data breaches or cyber security events	Nos.	0	P9-E7 P1-E8

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	Customers and Suppliers	Number of days of accounts payable	Days	70 While calculating the KPI, capex cost is not included in the denominator summation.	
9	Openness of business	Concentration of purchases and sales done with trading houses, dealers/distributors	Purchases from trading houses as % of total purchases	3.2% Trading houses are identified basis on trading activity with SIL exclusively.	P1-E9
			Number of trading houses where purchases are made from	290	
			Purchases from top 10 trading houses as percentage of total purchases from trading houses	37.7%	
			Sales to dealers / distributors as % of total sales	14.6%	
			Number of dealers / distributors to whom sales are made	291	
			Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	34.4%	
		Share of RPTs (as respective % age) in	Purchases with related parties / Total Purchases	41.1%	
			Sales to related parties / Total Sales	14.3%	
			Loans & advances given to related parties / Total loans & advances	100%	
			Investments in related parties / Total Investments made	100%	

While responding to BRSR core KPIs, organization has also referred to latest SEBI circular, dated 20th Dec.'2024, ref: SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177.
Break-up of scope-1/2 plant wise:

Scope	FBI*	IBI*	RMI*	SFI*	SSI*	Offices including HO	Total
Scope-1(tCO2e)	3411	806	3511	2602	37	262	10628
Scope-2(Location based) (tCO2e)	30748	20917	14239	24459	1277	581	92221

*Refer appendix B for plant locations.

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Appendix B: List of locations included in the assurance boundary:

S. No.	States	Locations	Manufacturing Locations
1	Maharashtra	Talegaon (IBI)	A-3, Talegaon Industrial Park, Talegaon Dabhade, Pune, Maharashtra 410507
2	Gujrat	Savli (SFI)	Plot No. 01, Alindra, Manjusar GIDC, Phase-03, Savli, Vadodara – 391775
3	Gujrat	Maneja (FBI)	Schaeffler India limited, JD nagar, Maneja, Vadodara – 390013
4	Tamilnadu	Hosur (RMI)	PB 20 survey no 950, Rayakottah Road, HOSUR, Krishnagiri, Tamil Nadu, 602102
5	Tamilndau	Shoolagiri (SSI)	Plot No 29 SIPCOT industrial park, phase IV Tal Shoolagiri , Shoolagiri , Shoolagiri Berigai Road ,Shoolagiri Bus stop, Nallaganakothapalli Krishangiri Tamilnadu 625117
Offices			
6	Haryana	Gurugram	6th Floor, Vatika Triangle, Block no F South city I, Gurugram, Haryana 122002.
7	West Bengal	Kolkata	Unit No. 1310, 13th floor, Merline Infinite, DN 51, Sector V Salt Lake, 700064, Kolkata 91
8	Maharashtra	Mumbai	1401-1403, 14th Floor Kesar Solitaire, Palm Beach Road, plot no. 5 Sector 19, Sanpada 14th floor, Navi Mumbai 400705
9	Karnataka	Bengaluru	Cauvery Senate, Municipal No. 10/1-1, PID No. 02-172-10/101, Raghavendra extension, Yeshwanthpur, Tumkur Road, Bengaluru 560022.
10	Tamilnadu	Chennai	Tower, Seethakathi Business Centre, 6th floor, No. 272/688, Anna Salai, Thousasnd Lights Chennai 600006.
11	Maharashtra	Pune	Amar Sadanand Tech Park, Plot no. 3, Survey no. 105/3 140/1, Baner Pune 411045.

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Directors’ Report

Dear Shareholders,

Your Directors are pleased to present 63rd Annual Report of the Company together with the audited financial statements (Standalone & Consolidated) of the Company for the year ended December 31, 2025.

Standalone Financial Highlights

(₹ in million)		
Particulars	2025	2024
Net revenue	93,953	80,763
EBITDA ¹	18,376	14,969
Less: Depreciation/ Amortisation	3,288	2,688
Less: Finance cost	42	35
Add: Interest income	1,074	929
Profit before exceptional items and tax	16,120	13,175
Provision for tax	4,158	3,398
Profit after tax	11,962	9,777

¹ Earnings before Interest, Tax, Depreciation and Amortisation.

Financial and Operational Performance

Performance of the Company and State of Company’s Affairs

Your Company’s Revenues was ₹93,953 million in the year 2025 (Year 2024: ₹80,763 million) which is higher by 16.3%.

Profit before tax (before exceptional items) was ₹16,120 million (Year 2024: ₹13,175 million) representing a growth of 22.3%. Your Company recorded profit after tax of ₹11,962 million (Year 2024: ₹9,777 million) which represent a growth of 22.4%.

Global Outlook

The global economy demonstrated strong resilience throughout 2025, consistently outperforming expectations despite a backdrop of historic trade tensions and heightened policy uncertainty. This stability was primarily due to strategic front-loading of trade activities and proactive supply-chain adjustments across industries. Furthermore, the limited pass-through of tariffs, coupled with easing global financial conditions and a significant surge in AI-related capital expenditure, provided the necessary momentum to sustain growth.

According to the world bank, global growth is estimated to have averaged 2.7% in 2025, supported by the stronger-than-expected performance of major economies. For advanced economies, growth reached to 1.7% in 2025 but it is anticipated that it will soften to 1.6% in 2026 as the weight of trade barriers begins to affect broader economic activity. These projections balance headwinds of restrictive trade policies against the continued support from fiscal measures, monetary easing, and sustained investment in emerging technologies. Meanwhile, EMDEs (Emerging Markets and Developing Economies) displayed robust performance with an estimate of 4.2% growth rate in 2025. In particular, the Chinese economy proved resilient, bolstered by significant fiscal stimulus and a strategic pivot toward non-U.S. export markets.

Looking ahead to 2026, the outlook for global trade remains dampened by tensions and the continued uncertainty surrounding tariff policies. The growth in trade volumes were largely due to advanced procurement of goods ahead of anticipated tariff hikes. As per IMF global growth is projected at 3.3% for 2026 backed by technology investment, fiscal and monetary support, accommodative financial conditions, and private sector adaptability.

Inflation is gradually normalising across major economies, though it has yet to return to pre pandemic levels. As per IMF global inflation is projected to continue its decline, with headline inflation falling to 3.8% in 2026 and 3.4% in 2027, with overarching trends of softening demand and lower energy prices remaining intact.

Financial markets experienced a period of easing in the latter half of last year, driven by a shift toward more accommodative U.S. monetary policy in response to softening labor market. This positive sentiment extended to Emerging Markets and Developing Economies (EMDEs), which saw significant debt-related capital inflows. These economies also benefited from a weaker U.S. dollar, which enhanced returns on local currency bonds.

The US economy is aided by fiscal support, easier financial conditions, and reduced trade uncertainty. As per Deutsch Bank, growth is expected to broaden with the Fed rate cuts. The euro area faces risk marked by cyclical resilience alongside structural rigidities. In 2026, domestic tailwinds including Germany’s expansionary fiscal spending and defence outlays are expected to outweigh external risks.

As we navigate this complex landscape, the interplay between policy-driven headwinds and technology-led investments will be the defining factor for global economic momentum.

India Outlook

India’s growth outlook remains buoyant, with both global and domestic institutions upgrading their assessments on the back of strong economic fundamentals. The Reserve Bank of India recently revised the country’s GDP growth forecast for FY 2025-26 upward to 7.3%, rising from an earlier estimate of 6.8%. This upward momentum is fueled by several converging factors: robust domestic demand, the rationalization of income tax and Goods and Services Tax, softer crude oil prices, and the strategic front-loading of government capital expenditure.

The domestic growth story is further bolstered by favorable agricultural prospects and the sustained positive effects of policy reforms. A benign inflation environment with CPI inflation easing from 4.3% in early 2025 to multi-year lows in the second half of the year has provided a stable backdrop for economic activity. These conditions, coupled with the strong balance sheets of both corporate and financial institutions, ensure that credit flows to the business sectors remain healthy. Inflation in India is expected to go back to near target levels after a marked decline in 2025 driven by subdued food prices. The RBI now forecasts FY26 CPI inflation to moderate to 2.0%.

India’s trade strategy is shifting with the rise of a multipolar global economy led by the USA, EU, China, and the emerging Global South. Instead of aligning with a single bloc, India

is pursuing ‘multi alignment’ and ‘strategic autonomy’ diversifying partners, corridors, and instruments to mitigate risks and capture new opportunities. India’s resilience is reflected in its robust services exports and the potential for further upside as current trade and investment negotiations reach a conclusion.

According to the IMF’s World Economic Outlook, India surpassed Japan in 2025 to become the world’s fourth-largest economy with a GDP of USD 4.18 trillion. India is now on a clear path to secure the third rank within the next three years, with a projected GDP of USD 7.3 trillion by 2030.

India's ascending role in the global economy presents a strategic landscape where localized manufacturing and industrial innovation can thrive alongside the country's expanding infrastructure and domestic demand.

Share Capital

There has been no increase/decrease in the Authorised and Paid-up Share Capital of your Company during the year under review.

Alteration of ‘Capital Clause’ of Memorandum of Association
During the year under review, there was no alteration of ‘Capital Clause’ of Memorandum of Association of the Company.

Material Changes and Commitments and Change in Nature of Business

There have been no material changes and commitments affecting the financial position of your Company from the end of the Financial Year 2025 up to the date of this Directors’ Report.

There has been no change in the nature of business of your Company.

Dividend and Transfer to Reserves

Considering the financial performance of the year 2025, your Directors recommend dividend for the year ended December 31, 2025 at the rate of ₹35/- per share of face value ₹2/- (2024: ₹28/- dividend per share of face value ₹2/-) per equity share amounting to ₹5,470.6 million (2024: ₹4,376.5 million). No amount was transferred to the General Reserves of the Company.

The details of the Dividend for the Financial Years 2025 and 2024 are as follows:

Dividend	2025	2024
Month and Year of Declaration	April 2026	April 2025
Amount of Dividend Per Equity Share of ₹2 each (in ₹)	35	28
% of Dividend	1,750	1,400
Total Dividend (Amt. in ₹ mn)	5,470.6	4,376.5

Dividend Distribution Policy

Your Company has adopted a progressive Dividend Distribution Policy, intending to sustain or raise the dividend each year, in conjunction with the financial performance and free cash profit generation each year.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the Company’s website at <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>.

The Board of Directors of your Company has approved the target dividend payout ratio of 30% to 50% of the annual standalone profits after tax (PAT) as announced by the Company from time to time, subject to the applicable rules, regulations and the Dividend Distribution Policy of the Company. The dividend pay-out is in accordance with the Company’s Dividend Distribution Policy.

The Dividend Distribution Policy also forms part of this Integrated Annual Report 2025.

Corporate Governance

A separate section on Corporate Governance forms integral part of the Integrated Annual Report and a compliance certificate from M/s. Samdani Kabra & Associates, Company Secretaries, the Company’s Secretarial Auditors confirming the compliance of conditions of Corporate Governance is annexed thereto.

Management Discussion and Analysis

Pursuant to Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), detailed review of operations, performance and future outlook of the Company is covered under Management Discussion & Analysis section of the Integrated Annual Report.

Business Responsibility and Sustainability Report (BRSR)

In accordance with Regulation 34 of the SEBI Listing Regulations, Business Responsibility & Sustainability report (BRSR) covering Company’s initiatives on Environment, Social and Governance parameters for Financial Year 2025 in the prescribed format, forms a part of this Integrated Annual Report & is available on the website of the Company.

Further, in terms of SEBI Listing Regulations, the Company has obtained, BRSR Reasonable assurance on BRSR Core Indicators from British Standards Institution (BSI) on a standalone basis. Assurance engagement has been carried out in accordance with ISAE3000 (Revised) assurance standard. Reasonable level of assurance has been provided for the Core Indicators of BRSR.

Board of Directors

Board’s Composition and Independence

Board Composition

Your Company’s Board is well-balanced and diverse. It consists of leaders and visionaries who provide strategic direction to the Compnay for ensuring effective decision making to the Company.

As on December 31, 2025, the Board comprised of 2 (Two) Executive Directors, 3 (Three) Non-Executive Independent Directors and 2 (Two) Non-Executive Non-Independent Directors. As on the date of this Report, your Company has 8 (Eight) Directors out of which 3 (Three) are Independent Directors, 2 (Two) Executive Directors, and 3 (Three) Non-Executive Non-Independent Directors. Pursuant to the provision of Regulation 17(1)(a) of the SEBI Listing Regulations, the Board of Directors of the top 1,000 listed entities are required to have at least one Independent Woman Director. The Company has 2 (Two) Women Directors comprising of 1 (One) Independent Woman Director and 1 (One) Woman Executive Director. Further, as per the

Regulation 17(1)(b) of the SEBI Listing Regulations, every listed company is required to have at least one-third of its total strength of the Board of Directors as Independent Directors where Chairperson is a Non-Executive Director. As on the date of the Directors’ Report, your Company complies with these requirements.

Independent Directors’ Declaration

Definition of ‘Independence’ of Directors is derived from Regulation 16 of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013. The Company has received necessary declarations under Section 149(7) of the Companies Act, 2013, read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 25(8) of the SEBI Listing Regulations, from the Independent Directors stating that they meet the prescribed criteria for independence.

All Independent Directors have affirmed compliance to the Code of Conduct for Independent Directors as prescribed in Schedule IV to the Companies Act, 2013. List of key skills, expertise and core competencies of the Board forms part of the Corporate Governance Report under this Integrated Annual Report.

Based on the declarations received from the Independent Directors, your Board of Directors confirm the independence, integrity, expertise and experience (including the proficiency) of the Independent Directors of the Company. Independent Directors comply with the Code of Conduct for Directors, Senior Management & Employees of the Company.

As per regulatory requirements, all the Independent Directors have registered their names in the Independent Directors’ Databank, pursuant to provisions of the Companies Act, 2013 and rules made thereunder. Further, they are exempted from the requirement of passing the online proficiency self-assessment test.

Appointment/Re-appointment/Cessation of Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013, Jens Schüler (DIN: 10422738) will retire by rotation at the ensuing Annual General Meeting (‘AGM’) and being eligible offer himself for reappointment. Jens Schüler has confirmed his eligibility and willingness to accept the office of the Director of your Company, if confirmed by the Members at the ensuing AGM. As per the opinion of your Directors, Jens Schüler possess requisite qualifications and experience and therefore, your Directors recommend that the proposed resolution for re-appointment of Jens Schüler be passed with the requisite majority.

During the year under review, the Members of your Company in 62nd Annual General Meeting confirmed the appointment/ re-appointment as follows:

- a) Re-appointment of Andreas Schick (DIN: 09257160) as a Non-Executive Non-Independent Director.
- b) Appointment of Eranti V. Sumithasri (DIN: 07087197) as Non-Executive Independent Director for the second term of 5 (Five) consecutive years.

During the year under review, following were the changes in the Board of Directors of the Company:

- a) Appointment of Eranti V. Sumithasri (DIN: 07087197) as Non-Executive Independent Director for the second term of 5 (Five) consecutive years from July 15, 2025, up to July 14, 2030.

- b) Resignation of Dharmesh Arora, Non-Executive Non-Independent Director of the Company with effect from close of business hours of May 31, 2025.
- c) Resignation of Amit Kalyani, Non-Executive Independent Director of the Company from the Directorship of the Company with effect from close of business hours of July 23, 2025.

As recommended by the Nomination and Remuneration Committee, the Board of Directors of the Company appointed Maximilian Andreas Fiedler (DIN: 10406377) as an Additional Director (Non-Executive Non-Independent Director) of the Company, effective from January 1, 2026, subject to approval of the Shareholders.

Andreas Schick (DIN: 09257160), Non-Executive Non-Independent Director of the Company has tendered his resignation from the position of directorship of the Company with effect from close of business hours of March 31, 2026, as he is leaving Schaeffler Group.

There is no inter-se relationship between the Directors.

In terms of the SEBI Listing Regulations, your Company conducts the Familiarisation Programme for Independent Directors about insights to the Company, including nature of Industry in which the Company operates, business model of the Company, relevant information of business processes, business development, strategy and business plan of the Company. The details of the same can be found at <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/independent-directors/>.

Key Managerial Personnel (KMP)

Pursuant to provisions of Sections 2(51) and 203 of Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following persons are acting as Key Managerial Personnel (KMP) of the Company:

- 1. Managing Director & Chief Executive Officer: Harsha Kadam
- 2. Director-Finance & Chief Financial Officer: Hardevi Vazirani
- 3. Company Secretary: Ashish Tiwari

Meetings of Board of Directors

During the year under review, 5 (Five) meetings of the Board of Directors were held in compliance with the Companies Act, 2013 and SEBI Listing Regulations on –

Sr. No.	For Quarter ended	Date of Meeting
1.	December 2024	February 27, 2025
2.	March 2025	April 29, 2025
3.	June 2025	July 25, 2025 September 30, 2025
4.	September 2025	October 31, 2025

The details of attendance of each Director at these meetings are provided in the Corporate Governance Report.

Policy on Nomination and Remuneration

The Company’s Policy on Nomination and Remuneration of Directors and Senior Management is framed with the objectives as under:

1. To formulate criteria and advise the Board in matters of determining qualifications, competencies, positive attributes and independence of Directors and policies relating to their appointment and removal;
2. To review corporate goals and objectives, to set norms of performance evaluation and to lay out remuneration principles for Directors, KMP and Senior Management linked to their effort, performance and contribution towards achievement of organisational goals;
3. To evaluate performance and give recommendations to the Board on succession planning and remuneration payable to the Directors, KMP, Senior Management, and critical direct reportees to Senior Management as may be determined from time to time; and
4. To review and recommend to the Board measures to retain and motivate talent including KMP and Senior Management Personnel with a view to ensuring long-term sustainability and competitiveness of the organisation.

In addition to above, the Nomination and Remuneration Committee (NRC) may take up any other matters related to talent management in general upon the advice of the Board.

Nomination and Appointment of Directors and Senior Management
Criteria and Qualification

A person to be appointed as Director, KMP or at Senior Management level should possess adequate relevant qualification, expertise and experience for the position that he/she is being considered. NRC evaluates whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position and makes appropriate recommendations to the Board of Directors. The Board independently evaluates the candidate, and if found suitable confirms the appointment.

Policy on Remuneration

1. The remuneration (including revisions) of Directors is recommended by NRC to the Board for its approval. The remuneration (including revisions) of the Directors, so recommended by NRC to the Board, should be within the limits specified under the Companies Act, 2013 read with the Rules thereunder and as approved by the Shareholders of the Company.
2. None of the Directors (including Independent Directors) shall be entitled to any stock option of the Company.
3. The remuneration to be paid to KMP and Senior Management is recommended by NRC to the Board for its approval.

The Nomination and Remuneration Policy of the Company is disclosed on the website at <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>.

Formal Annual Performance Evaluation

Your Company believes that systematic performance evaluation of the Board, Committees, and the Directors contributes significantly to improve performance at 3 (Three) levels; i.e. Organizational, Board and Individual Board Member.

The Annual Performance Evaluation is based on inputs from all the Directors on a structured questionnaire covering various aspects such as expertise, experience, active participation,

leadership quality, constructive contribution, etc.

The evaluation is done as per the process and criteria of Annual Performance Evaluation recommended by the NRC and approved by the Board of Directors. Separate evaluation questionnaire for each category of evaluation viz. the Board, Committees of the Board, Chairperson of the Board and Directors (including Executive Directors, Non-Executive Non- Independent Directors and Non-Executive Independent Directors) have been prepared as per the process and criteria approved by the Board.

The questionnaire for each category of evaluation is circulated to all the Directors. Each question has 4 (Four) rating options i.e., 1 to 4. 1 denotes ‘Need Improvement’, 2: ‘Fair’, 3: ‘Good’ and 4: ‘Excellent’.

The ratings of every question are averaged (‘averaged ratings’) based on feedbacks received from the Directors. Further, average of all ‘averaged ratings’ are considered as the rating for a particular question. Based on the outcomes of questionnaire, NRC carries out evaluation of all the Directors including Independent Directors. The Board carries out the evaluation of its own performance, each of the Committees and that of all Directors.

For the year 2025, the Board has carried out an Annual Performance Evaluation of its own and that of each of the Committees and all Directors including the Chairperson of the Company. NRC has also carried out evaluation of all the Directors including Independent Directors.

Assessment and observations on the Annual Performance Evaluation are discussed and key action areas for the Board, Committees and Directors are noted for implementation.

Outcome

The Performance Evaluation for the year 2025 of Directors, each of Committees and that of the Board have received ratings near excellent. NRC expressed its satisfaction to the overall process of Annual Performance Evaluation.

Meeting of Independent Directors

As per provisions of Schedule IV to the Companies Act, 2013, the Independent Directors are required to hold at least 1 (One) meeting in a financial year, without the attendance of Non-Independent Directors and members of management.

During the Financial Year 2025, the Independent Directors have held 1 (One) separate meeting on October 30, 2025.

Audit Committee

As on December 31, 2025, the Audit Committee was consisting of 5 (Five) Directors including 3 (Three) Independent Directors. N. V. Sivakumar is the Chairperson of the Audit Committee. The other members of the Audit Committee were Arvind Balaji, Eranti V. Sumithasri, Andreas Schick and Hardevi Vazirani. The Committee met 5 (Five) times during the year. The terms of reference of the Audit Committee, details of meetings held during the year and attendance of members are disclosed in the Report on Corporate Governance. There was no instance where the recommendation by the Committee was not accepted by the Board.

Andreas Schick ceased to be the Member of the Audit Committee effective from February 24, 2026.

Whistle-Blower Policy/Vigil Mechanism

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015, your Company has a well-defined ‘Whistle-Blower Policy’ and established vigil mechanism to provide for adequate safeguard against victimisation of Directors and employees who use the vigil mechanism. The vigil mechanism also provides for direct access to the Chairperson of Audit Committee in appropriate cases.

The Whistle-Blower/Vigil Mechanism Policy can be accessed on the Company’s Website at <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>.

Risk Management

Your Company has established comprehensive Risk Management System to ensure that risks to the Company’s continued existence as a going concern and to its development are identified and addressed on a timely basis. Report on Risk Management forms an integral part of this Integrated Annual Report.

Risk Management Committee

As on December 31, 2025, the Risk Management Committee was consisting of 5 (Five) Directors of the Company. Harsha Kadam was the Chairperson of the Committee. The other members of the Committee are Eranti V. Sumithasri, Andreas Schick, Jens Schüler and Hardevi Vazirani.

As of the date of this Directors’ Report, Andreas Schick ceased to be the Member of the Risk Management Committee effective from February 24, 2026 and Maximilian Andreas Fiedler, Non-Executive Non-Independent Director of the Company appointed as a Member and Chairperson of the Risk Management Committee effective from February 7, 2026.

Auditors

Statutory Auditors

Statutory Auditors, M/s. Walker Chandiok & Co. LLP, Chartered Accountants, (Firm Registration Number: 001076N/ N500013) were appointed as Statutory Auditors of the Company at the 58th Annual General Meeting (‘AGM’) of the Company held on April 27, 2021 for a period of 5 (Five) consecutive years from the conclusion of the 58th AGM till the conclusion of the 63rd AGM of the Company.

The Audit Committee annually reviews and monitors the performance, independence of the Statutory Auditors and effectiveness of the audit process.

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their Report.

The Board, on the recommendation of the Audit Committee, approved the appointment of Price Waterhouse, Chartered Accountants, LLP (Firm Registration Number 012754N/ N500016) as the Statutory Auditors of the Company for a period of five years from the conclusion of the ensuing 63rd AGM till the conclusion of the 68th AGM. The appropriate resolution seeking Shareholders’ approval for the appointment and remuneration of Price Waterhouse, Chartered Accountants, LLP (Firm Registration Number 012754N/N500016) as the Statutory Auditors of the Company forms part of the Notice convening the 63rd AGM of the Company.

Reporting of Fraud

The Auditors of the Company have not reported any instances of fraud against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

Secretarial Auditors

M/s. Samdani Kabra & Associates, a firm of Company

Secretaries in Practice was appointed as ‘Secretarial Auditors’ to carry out Secretarial Audit of the Company. In terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company appointed M/s. Samdani Kabra & Associates, a firm of Company Secretaries in Practice, (Firm Registration No.- P2002GJ013100 and Peer review No. 7107/2025) as the Secretarial Auditors of the Company to hold office for a period of 5 (Five) consecutive years from the conclusion of the 62nd AGM till the conclusion of the 67th AGM of the Company. In terms of provisions of Section 204 of the Companies Act, 2013, and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI’s circular CIR/CFD/CMD1/27/2019 dated February 8, 2019, a Secretarial Audit Report has been annexed to this Report. (Annexure - A)

Secretarial auditors’ observation(s) in secretarial audit report and directors’ explanation thereto –

As on the date of the Secretarial Auditor’s Report, the composition of the Audit Committee is as per the applicable statutory requirements. However, the composition of Audit Committee was not in compliance with Regulation 18(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the guidance provided under Circular issued by the National Stock Exchange of India Limited (NSE) bearing circular Ref No: NSE/CML/2023/31 (‘NSE Circular’), due to casual vacancy arose on July 23, 2025, consequent to the resignation of one Independent Director.

Directors’ explanation:

As on date, consequent to the resignation of one of the Non-Executive Non-Independent Director, who was also a member of Audit Committee, the composition of the Audit Committee is as per the guidance provided under NSE Circular and Regulation 18(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Cost Records and Cost Audit

Maintenance of Cost Records

The Company is required to maintain cost records under Companies (Cost Records and Audit) Rules, 2014. Accordingly, cost records have been maintained by the Company.

Cost Audit

M/s. Y. S. Thakar & Co., Cost Accountants, as Cost Auditors were appointed to conduct the audit of the cost records of the Company for the financial year ended December 31, 2025. Based upon the declaration on their eligibility, consent and terms of engagement, your Directors have reappointed M/s. Y. S. Thakar & Co., Cost Accountants to conduct Audit of Cost records for the Financial Year 2026.

As required under the provisions of the Companies Act, 2013, the remuneration of Cost Auditors as approved by the Board of Directors is subject to ratification by the Shareholders at the ensuing Annual General Meeting.

Corporate Social Responsibility (CSR)

Being a responsible Corporate Citizen, your Company is committed in fulfilling its social responsibilities. Guided by the prevailing regulatory requirements, the Company has constituted a ‘Corporate Social Responsibility (CSR) Committee’ and framed a Policy on CSR. The policy is available on the website of the Company at <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>.

Your Company’s CSR expenditure was ₹247.2 million i.e. 2% of the Average Net Profits of your Company made during 3 (Three) immediately preceding financial years. A summary of CSR Policy together with details of CSR activities undertaken by the Company during the year 2025 have been covered in the Integrated Annual Report on CSR activities, which is annexed to this Report. (Annexure - B).

Contracts and Arrangements with Related Parties

During the year, all the transactions with the Related Parties have been carried out in the ordinary course of business and based upon well set principles of arm’s length.

Omnibus Approval of the Audit Committee is obtained at the beginning of the year for the transactions which are of a foreseeable and repetitive nature. The details of all transactions executed with Related Parties are placed before the Audit Committee on a quarterly basis for its review or revision as the case may be and are also placed before the Board for its information. As per the applicable SEBI circulars and Industry Standard Note on “Minimum information to be provided to the Audit Committee and Shareholders on Related Party Transactions”, the Company provides the applicable disclosures to the Audit Committee and Shareholders.

The Related Party Transaction Policy of the Company is available on the website of the Company at <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>.

A separate report containing details of Related Party Transactions carried out during the year is annexed to this Directors’ Report in prescribed form AOC-2. (Annexure – C)

Particulars of Employees and Related Disclosures

The disclosures pertaining to remuneration and other details of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1), 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, have been annexed to this Directors’ Report (Annexure – D).

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as prescribed under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 have been annexed to this Directors’ Report (Annexure – E).

Annual Return

As per the provisions of Section 92(3) of the Companies Act, 2013, a copy of draft Annual Return of the Company for the financial year 2025 in the prescribed form MGT-7 has been placed on the website of the Company at <https://www.schaeffler.co.in/en/investor-relations/shareholders-information/annual-return/>.

Particulars of Loans, Investments, Guarantees and Securities

The particulars of loans and investments have been disclosed in notes to the Financial Statements. The Company did not give any guarantee or provide any security in connection with any loan.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has in place a Policy against Sexual Harassment of Women at Workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is available on the website of the Company at <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>.

Internal Complaints Committee (ICC) is in place to redress complaints received regarding sexual harassment. The Company is committed to provide protection against sexual harassment of women at workplace (including employee or any other women visiting worksite for any other purpose).

Status of complaints during the year 2025

No complaint was received during the FY 2025.

Confirmation under the Maternity Benefit Act 1961

The Company confirms material compliance of the provisions relating to the Maternity Benefit Act 1961.

Directors’ Responsibility Statement

Pursuant to the requirements under Section 134(3)(c) of the Companies Act, 2013, your Directors hereby state that:

- (a) In preparation of the annual accounts, the applicable Indian Accounting Standards (Ind AS) have been followed and there are no material departures from the same;
- (b) The accounting policies have been selected and these have been applied consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at December 31, 2025 and of the profit of the Company for that period;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) Annual accounts of the Company have been prepared on a ‘going concern’ basis;
- (e) Internal Financial Controls have been laid down and being followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- (f) Proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and were operating effectively.

Adequacy of Internal Financial Controls

The Board of your Company has laid down Internal Financial Controls framework in accordance with the Committee of Sponsoring Organisations (COSO) framework, to be followed by the Company and that such Internal Financial Controls are adequate and operating effectively.

The Risk Management Framework recognises the Internal Financial Controls as an integral part of its framework, provides well- documented policies and procedures that

are aligned with Schaeffler global standards and processes, adhere to local statutory requirements for orderly and efficient conduct of business, safeguarding of assets, detection and prevention of frauds and errors, adequacy and completeness of accounting records and timely preparation of reliable financial disclosures.

Based on the framework of Internal Financial Controls and Compliance Systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and external consultants and the reviews performed by management and the Audit Committee, the Board is of the opinion that during the financial year ended December 31, 2025 had sound Internal Financial Controls.

These controls placed by the Company commensurate with the nature of its business and size and complexity of its operations and are adequate and operating effectively with no material weakness. This also identifies opportunities for any improvement and ensures that good practices are imbibed in the processes that develop and strengthen the internal financial control system and enhances the reliability of the Company’s financial statements.

The key Internal Financial Controls and compliance systems have been documented, automated wherever possible and embedded in the respective business processes.

Compliance of Secretarial Standards

Your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the Rules”) as amended, all unpaid or unclaimed dividends which were required to be transferred by the Company to the IEPF were transferred to IEPF Authority.

The Company has also transferred Shares in respect of which dividend amount remained unpaid/unclaimed for a consecutive period of 7 (Seven) years or more to IEPF Authority within stipulated time.

The details of unpaid/unclaimed dividend and the Shares transferred to IEPF Authority are available on the Company’s website at <https://www.schaeffler.co.in/en/investor-relations/shareholders-information/unclaimed-unpaid-dividend/>.

Deposit

During the year, the Company has not accepted any deposits under the Companies Act, 2013.

Subsidiaries, Joint Ventures and Associates

KRSV Innovative Auto Solutions Private Limited (“Koovers”) is the wholly owned subsidiary of the Company.

The highlights of performance of subsidiary & its contribution to the overall performance of the Company are provided in the Consolidated Financial Statements which form an integral part of this Integrated Annual Report.

The Company does not have any other Joint Venture or Associate Companies as defined in the Companies Act, 2013.

Significant and material orders Passed by the Regulators or the Courts or the Tribunals

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations.

Other Disclosures

There are no proceedings initiated/pending under the Insolvency and Bankruptcy Code, 2016 during the year.

There were no instances where your Company required the valuation for one time settlement or while taking the loan from the Banks or Financial institutions.

Acknowledgements

Your Directors express their gratitude for the continued cooperation and support extended by Schaeffler Group, the Shareholders, Customers, Suppliers, Distributors, Bankers and all Stakeholders. Your Directors also place on record their appreciation for the employees for their dedication, hard work and efforts.

Bengaluru
February 24, 2026

For and on behalf of the Board

Eranti V. Sumithasri
Chairperson
DIN: 07087197

Secretarial Audit Report

(Annexure A to the Directors' Report)
For the Financial Year ended December 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Schaeffler India Limited
15th Floor, ASTP (Amar Sadanand Tech Park),
Baner, Pune – 411045,
Maharashtra, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Schaeffler India Limited (“Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the Financial Year ended on December 31, 2025 (“review period”), complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the review period, according to the provisions of:

- i. The Companies Act, 2013 (“Act”) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India (“SEBI”) Act, 1992:
 - a. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018; However, there were no actions/events pursuant to these regulations, hence not applicable.
 - b. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. SEBI (Buy-back of Securities) Regulations, 2018; However, there were no actions/events pursuant to these regulations, hence not applicable.
 - d. SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; However, there were no actions/events pursuant to these regulations, hence not applicable.
 - e. SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - f. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - g. SEBI (Delisting of Equity Shares) Regulations, 2021; However, there were no actions/events pursuant to these regulations, hence not applicable;
 - h. SEBI (Depositories and Participants) Regulations, 2018;
 - i. SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; However, there were no actions/events pursuant to these regulations, hence not applicable;
 - j. SEBI (Debenture Trustees) Regulations, 1993; However, there were no actions/events pursuant to these regulations, hence not applicable.

We have also examined compliance with the applicable clauses/regulations of the following: -

- i. Secretarial Standards issued by The Institute of Company Secretaries of India; and
- ii. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

During the review period, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above subject to following observation (s):

The composition of Audit Committee was not in compliance with Regulation 18(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the guidance provided under Circular issued by the National Stock Exchange of India Limited (NSE) bearing circular Ref No: NSE/CML/2023/31 (‘NSE Circular’), due to casual vacancy arose on July 23, 2025, consequent to the resignation of one Independent Director. As on the date of this certificate, the composition of the Audit Committee is as per the applicable statutory requirements.

We further report that;

- A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the review period, if any, were carried out in compliance with the provisions of the Act;
- B. Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting;
- C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;
- D. There are adequate systems and processes in place, whereby the Company ensures and monitor compliances of applicable laws, rules, regulations and guidelines;
- E. The Compliance Management Tool/System is adequate, commensurate with the size and operations of the Company and operating effectively;
- F. During the review period, there were no specific instances/actions in the Company in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc. having major bearing on the Company’s affairs.

	Suresh Kumar Kabra	Samdani Kabra & Associates
	Partner	Company Secretaries
		ACS No. 9711 CP No. 9927

ICSI Peer Review No.	: 7107/2025
ICSI Unique Code No.	: P2002GJ013100
ICSI UDIN	: A009711G003989027
Place	: Vadodara
Date	: February 24, 2026

Appendix A

To,
The Members,
Schaeffler India Limited
15th Floor, ASTP (Amar Sadanand Tech Park),
Baner, Pune - 411045
Maharashtra, India.

Our Secretarial Audit Report of even date is to be read along with this letter, that:

- i. Maintenance of secretarial records and compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the management of the Company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records and we believe that the processes and practices we followed provide a reasonable basis for our opinion.
- iii. Wherever required, we have obtained the management representation about the Compliance of Laws, Rules and Regulations, happening of events, etc.
- iv. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the Company’s affairs.

Suresh Kumar Kabra
Partner

Samdani Kabra & Associates
Company Secretaries
ACS No. 9711 | CP No. 9927

ICSI Peer Review No. : 7107/2025
ICSI Unique Code No. : P2002GJ013100
ICSI UDIN : A009711G003989027
Place : Vadodara
Date : February 24, 2026

CSR Report

(Annexure B to the Directors’ Report)

1. Brief outline on CSR Policy of the Company

At Schaeffler India, we believe that science and technology are synonymous with economic and human development as both aim to drive progress and improve standard of living while preserving environment and supporting sustainability.

Being a part of the Schaeffler Group and one of the leading industrial and automotive supplier in the country, we find numerous opportunities to contribute to human progress through our innovative technologies and thus touch lives of people. At the same time, being an Indian Company, we are equally motivated by Indian ethos of ‘सर्वे भवन्तु सुखिन’ Dharma as a key plank for organisational self-realisation. We constantly strive to contribute in our humble way to the motto – (May everyone be happy) and take up the cause of welfare amongst communities in which we operate.

Delineating our responsibility as a Corporate Citizen, we at Schaeffler India are committed to operate our business in an economically, socially & environmentally sustainable manner. At the same time, we endeavour to reach out to different sections of the society, with socially relevant projects, that benefit these communities and in small ways enhance the quality of their lives. These initiatives are independent of the normal operations of our Company’s business. Programmes, projects and activities (collectively “CSR Programmes”) as framed within the purview of Schedule VII of the Companies Act, 2013 as amended from time to time and are the subject matter of this Policy.

2. Composition of CSR Committee

Sl. No	Name of the Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Arvind Balaji	Chairperson	2	2
2.	Amit Kalyani ¹	Member	1	-
3.	Harsha Kadam	Member	2	2
4.	Jens Schüler	Member	2	2
5.	N. V. Sivakumar ²	Member	1	1

¹ Ceased to be a member effective from July 23, 2025

² Inducted as a member effective from February 27, 2025

Note- Maximilian Andreas Fiedler, Non-Executive Non-Independent Director of the Company appointed as the Member of the CSR Committee effective from February 7, 2026

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

CSR Committee
Statutory Committees | Schaeffler India
<https://www.schaeffler.co.in/en/investor-relations/corporate-governance/committees-board-of-directors/>

CSR Policy
<https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>

CSR Projects
https://www.schaeffler.co.in/remotemedien/media/_shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/csr/List_of_projects_2025.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable

The Impact Assessment for the ‘Jal Samruddhi’ project has been undertaken by Sattva Consulting and commissioned by the Company.

The project aims to enhance groundwater recharge and ensure greater water availability, thereby strengthening farming livelihoods and improving long-term agricultural resilience in the region.

https://www.schaeffler.co.in/remotemedien/media/_shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/corporate_governance_1/codes_and_policies/Impact_Assesment_Report_-_Jal_Samruddhi_Insights_2025.pptx.pdf

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any -

Not Applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2022	NIL	NIL
2.	2023	NIL	NIL
3.	2024	NIL	NIL

6. Average net profit of the Company as per Section 135(5)

Year	Net Profit (₹ in mn)
2022	11,621
2023	12,284
2024	13,175
Average Net Profit	12,360

7. (a) Two percent of average net profit of the Company for last three Financial Years as per Section 135(5) - ₹247.2 million
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - NIL
(c) Amount required to be set off for the financial year, if any - NIL
(d) Total CSR obligation for the financial year (7a+7b-7c) – The Company is required to spend an amount of ₹247.2 million as CSR expenditure during the financial year 2025.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ in mn)*	Amount Unspent (₹ in mn)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6). (₹ in mn)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) (₹ in mn)*		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
247.2	NIL	N.A.	N.A.	NIL	-

* Rounded off to single decimal

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5	6	7	8	9	10	11
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project Duration	Amount allocated for the project (₹ in million)	Amount spent in the current Financial Year (₹ in million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Agency
				State	District					CSR Registration number
1	Mobi-Health Unit Phase II	Promoting Health Care (i)	Yes	Gujarat	Vadodara	24 Months	9.8	9.7	No	Deepak Foundation
2	Pre-Vocational Education Program in Govt. Schools	Promoting Education (ii)	Yes	Gujarat	Vadodara	30 Months	5.8	5.7	No	Shri Mahakal Education and Charitable Trust (Bharatcares)
3	Nitara Phase II: Promoting livelihood	Skills & Livelihood Enhancement (i)	Yes	Gujarat	Vadodara	36 Months	5.7	5.7	No	The Desai Foundation Trust
4	Community Development Project	Promoting Education (i)	Yes	Gujarat	Vadodara	05 Months	3.6	3.6	No	Mook Dhvani Trust
5	Saksham: Empowering Every Ability	Promoting Education (i)	Yes	Gujarat	Vadodara	24 Months	1.4	1.4	No	Mook Dhvani Trust
6	Jal Jeevika	Environment Sustainability (iv)	Yes	Gujarat	Vadodara	43 Months	8.1	8.1	No	BAIF Development Research Foundation
7	Mobile Science Lab - Vadodara	Promoting Education (ii)	Yes	Gujarat	Vadodara	43 Months	3.8	3.8	No	Agastya International Foundation
8	STEP - Vadodara	Skills & Livelihood Enhancement (ii)	Yes	Gujarat	Vadodara	33 Months	4.9	4.9	No	Creation Foundation
9	Mobile Health Unit - Talegaon	Promoting Health Care (i)	Yes	Maharashtra	Pune	12 Months	6.1	6.1	No	Deepak Foundation
10	Schaeffler Skill Development Center	Skills & Livelihood Enhancement (ii)	Yes	Maharashtra	Pune	36 Months	9.3	9.3	No	Don Bosco Vyawasaik Prashikshan Kendra
11	Wadi - Agro Horti Forestry Project	Environment Sustainability (iv)	Yes	Maharashtra	Pune	48 Months	27.6	27.7	No	BAIF Institute for Sustainable livelihood and Development
12	Energy Efficient Cookstove Project	Environment Sustainability (iv)	Yes	Madhya Pradesh	Singrauli	48 Months	35.2	35.1	No	Social Action For Rural Development
13	Pre-Vocational Education Programme in Govt. Schools Phase II	Promoting Education (ii)	Yes	Maharashtra	Pune	36 Months	8.1	8.1	No	STARS Forum

1	2	3	4	5	6	7	8	9	10	11
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Project Duration	Amount allocated for the project (₹ in million)	Amount spent in the current Financial Year (₹ in million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Agency
				State	District					CSR Registration number
14	Hope Engineering Scholarship	Promoting Education (ii)	No	Pan India	Different District Locations	7.2	7.2	-	No	Buddy4Study India Foundation
15	Schaeffler Skill Development Center-Hosur, Phase II	Skills & Livelihood Enhancement (ii)	Yes	Tamil Nadu	Krishnagiri	17.8	17.8	-	No	Creation Foundation
16	Watershed Project Jal Sanghamam- Hosur	Environment Sustainability (iv)	Yes	Tamil Nadu	Krishnagiri	24.9	24.9	-	No	Baif Institute for Sustainable Livelihoods and Development
17	Schaeffler Social Innovation Fellowship Programme	Promoting Education (ii)	No	Pan India	Pan India	9.5	9.6	-	No	Buddy4Study India Foundation
18	Women Skill Development Programme	Skills & Livelihood Enhancement (ii)	Yes	Tamil Nadu	Krishnagiri	6.4	6.4	-	No	Hand In Hand India
19	Mobile Health Unit - Hosur	Promoting Health Care (i)	Yes	Tamil Nadu	Krishnagiri	5.3	5.2	-	No	Smile Foundation
20	Mobile Science Lab - Hosur	Promoting Education (ii)	Yes	Tamil Nadu	Krishnagiri	3.6	3.6	-	No	Agastya International Foundation
21	Community Drinking Water & Infrastructure Project	Promoting Education (ii)	Yes	Tamil Nadu	Krishnagiri	5.1	5.1	-	No	Baif Institute for Sustainable Livelihoods and Development
22	Watershed Project Jawadhu Hills	Environment Sustainability (iv)	Yes	Pan India	Pan India	14.1	14.0	-	No	Hand In Hand India
23	Afforestation Project Hosur	Environment Sustainability (iv)	Yes	Tamil Nadu	Krishnagiri	6.8	6.6	-	No	Biotasoil Foundation
24	Strengthening Research Infrastructure at FSID	Promoting Education (ii)	No	Pan India	Pan India	8.2	8.2	-	No	Foundation for Science Innovation and Development
						238.3	237.8			

Rounded off to single decimal.

- (c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable
- (d) Amount spent in Administrative Overheads – ₹8.9 million.
- (e) Amount spent on Impact Assessment, if applicable – ₹0.5 million
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹247.2 million
- (g) Excess amount for set off if any

Sl. No	Particular	Amount (₹ in mn) ¹
(i)	Two percent of average net profit of the Company as per Section 135(5)	247.2
(ii)	Total amount spent for the Financial Year	247.2
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

¹ Rounded off to single decimal.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in mn) ¹	Amount spent in the reporting Financial Year (₹ in mn) ¹	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in mn) ¹
				Name of the Fund	Amount (₹ in mn) ¹	Date of transfer	
1	2022	11	NIL	N.A.	N.A.	N.A.	NIL
2	2023	N.A.	NIL	N.A.	N.A.	N.A.	NIL
3	2024	N.A.	N.A.	N.A.	N.A.	N.A.	NIL

¹ Rounded off to single decimal

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): N.A.

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in million)	Amount spent on the project in the reporting Financial Year (₹ in mn)	Cumulative amount spent at the end of reporting Financial Year (₹ in mn)	Status of the project - Completed/ Ongoing

10. Whether any capital assets have been created/acquired through CSR Amount spent in the FY

https://www.schaeffler.co.in/remotemedien/media/_shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/csr/Asset_List_CSR_2025.pdf

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5)

Not Applicable

For **Schaeffler India Limited**

Arvind Balaji
Chairperson of CSR Committee
(DIN: 00557711)

Harsha Kadam
Managing Director & CEO
(DIN: 07736005)

Report on Related Party Transactions: Form AOC-2

(Annexure C to the Directors’ Report)

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

[A] Details of contracts or arrangements or transactions not at arm’s length basis: Nil

[B] Details of material contracts or arrangements or transactions at arm’s length basis:

Name(s) of related party & nature of relationship	Schaeffler Technologies AG & Co. KG, Germany, Fellow Subsidiary		
Nature of contracts/ arrangements/ transactions	Sales, Purchases of goods, material, other services and tangible fixed assets		
	Summary of Transactions carried out with Schaeffler Technologies AG & Co. KG	2025 (₹ in mn)	
		Actual	Cumulative
	Purchases – Finished Goods, Raw materials, Components and spares	16,124.1	25,473.9
	Fees for use of technology/trademark	1,890.4	-
	Purchase of Machines and Equipment	599.0	-
	Sale of Finished Goods	5,352.8	-
	Others services ¹	1,507.6	-
	¹ SAP, IT systems and connectivity cost, Travelling, Training, Testing, Support Fee & Other Cost, Expat Cost, Reimbursement of expenses, Commission on guarantee and Service Income		
Duration of contracts/ arrangements/ transactions	Ongoing		
Salient terms of the contracts/arrangements/ transactions including the value, if any	As per transfer pricing guidelines		
Date(s) of approval by the Board	Shareholders’ approval was obtained at the 60 th AGM held on April 18, 2023 for material Related Party Transactions with Schaeffler Technologies AG & Co. KG, Germany, with a year on year increase of 25% on total amount of transaction during the previous year, up to the year 2025. Thereafter, Shareholders’ approval was obtained at the 62 nd AGM held on April 30, 2025 for material Related Party Transactions with Schaeffler Technologies AG & Co. KG, Germany, for the projected amount of ₹38,500 million for the year 2026 and thereafter a year-on-year increase of 25% on the total amount of actual transactions during the immediate previous year, up to the year 2028 in the ordinary course of business and at arm’s length basis		
Amount paid as advance, if any	-		

For and on behalf of the Board

Eranti V. Sumithasri
Chairperson
DIN: 07087197

Bengaluru: February 24, 2026

Particulars of Employees

(Annexure D to the Directors’ Report)

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025:

Sr. No.	Name of Director/Key Managerial Personnel	Designation/ Category	Ratio of Remuneration of Directors to Median Remuneration of the employees for Financial Year 2025	% of increase in Remuneration in Financial Year 2025
1	Harsha Kadam	Managing Director & CEO	45.9	9.0%
2	Hardevi Vazirani	Director-Finance & CFO	17.1	10%
3	Dharmesh Arora ¹	Non-Independent Director	4.96	-
4	Andreas Schick	Non-Independent Director	-	-
5	Jens Schöler	Non-Independent Director	-	-
6	Renu Challu ²	Independent Director	4.51	-
7	Arvind Balaji	Independent Director	5.41	-
8	Amit Kalyani ³	Independent Director	3.57	-
9	Eranti V. Sumithasri	Independent Director	8.12	-
10	N. V. Sivakumar	Independent Director	1.6	-
11	Ashish Tiwari	Company Secretary	11.8	8%

¹ Dharmesh Arora ceased to be Director effective from end of business hours of May 31, 2025

² Renu Challu ceased to be Director effective from end of business hours of November 5, 2024

³ Amit Kalyani ceased to be Director effective from end of business hours of July 23, 2025

2. The percentage increase in the median remuneration of employees in the financial year:
The median remuneration of employees of the Company was increased by 10% during 2025.
3. The number of permanent employees on the rolls of Company as on December 31, 2025: 3,826
4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
Average increase in salary/remuneration of white collar employee was 9% and average increase of KMP was 9%.
5. Affirmation that the remuneration is as per the remuneration policy of the Company:
We affirm that remuneration paid to the Employees & Directors is as per the remuneration policy of the Company.

The disclosure with respect to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Directors’ Report.

In terms of the provisions of Section 136 of the Companies Act, 2013, the Annual Report excluding the statement containing particulars of employees pursuant to Rule 5(2) and Rule 5(3) of the aforesaid Rules is being sent to the members of the Company. The said statement containing the details of names and other particulars of employees drawing remuneration in excess of the limits prescribed under the said Rules is available for inspection by the members at the Registered Office of the Company during business hours on all working days of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at Investorsupport.IN@schaeffler.com and the same will be made available upon request.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

(Annexure E to the Directors’ Report)

With increasing focus on ESG goals, Schaeffler India has constantly focused on the key aspect of Social & Environment impacts. Talking about environment impacts, conservation of energy has been a major focus in Schaeffler India for the past years and the same rigor was seen in 2025, with initiatives and right investments in advanced technologies.

A. Conservation of Energy

1. Steps taken or impact on conservation of energy

Various steps are taken at all the Plants of Schaeffler India, some examples are listed below. In 2025, Schaeffler India Limited achieved 1,582.6 MWh energy efficiency with the following projects:

- 1. Reduction in compressed Air consumption by removing pneumatic cylinder from various locations of production lines.
- 2. Reduction of freshwater consumption 11,202 m3 at Savli by introducing SBR technology.
- 3. Reduction of water consumption by utilizing rainwater through Rainwater harvesting ~350 m3/yr at Savli.
- 4. Low air consumption pressure booster installation at Savli.
- 5. Maneja plant successfully installed two energy-efficient compressors equipped with a central controller system which controlled all air compressors centrally. This initiative has resulted in energy savings of 1,570 MWh. Notably, among all Global Schaeffler plants, the Maneja facility stands out as the only plant to have maintained a steady air network pressure of 4.5 bar consistently throughout the entire year, demonstrating exceptional process stability and efficiency.
- 6. Low air consumption pressure booster installation done for localized high-pressure requirement as pilot project in segment-02 Maneja plant.
- 7. Energy Saving with Replacement of Old Compressor at Pune and achieved 528.5 MWh savings.
- 8. Compressed air saving with differential valves and arresting leakages -2.5MWh at Pune.
- 9. Reuse rainwater 2886 m3/yr. – Hosur.
- 10. Energy efficiency program for Hosur – 170 MWh energy saving.

2. The Steps taken by the Company for utilization of alternate sources of energy

- 1. Own solar rooftop project execution 250 kWp.
- 2. Savli plant has signed additional 1 MW PPA for Wind + Solar hybrid power and started receiving power from March-2025. With this addition plant’s total Hybrid Wind + Solar PPA has reached now 2.85MW.
- 3. Maneja plant has signed additional 1.35 MW PPA for Wind + Solar hybrid power and started receiving power

from August-2025. With this addition plant’s total Hybrid Wind + Solar PPA has reached now 4.1 MW.

- 4. The Company has been constantly working on purchasing green energy and Renewable Energy Certificate to neutralize the emissions.
- 5. Own solar Electricity generation (4.7 MWp) – 3834 MWh.
- 6. Alternate energy source by offsite renewable PPA and RE certificate to neutralize emission by green energy for 20.06 GWh - Hosur.

3. The Capital investment on energy conservation equipment in Schaeffler India

New buildings or renovation of buildings and facilities:

- 1. Cooling tower upgrade Savli.
- 2. Water consumption tracking with EDMS system Savli.
- 3. Shopfloor Lighting converted to LED in Savli.
- 4. Propane consumption reduction project in Savli.
- 5. 110 KW and 160 KW Energy Efficient compressor installation in Maneja plant.
- 6. Additional photovoltaic of 436 KWp at Pune.
- 7. New hall 2.2.1 expansion at Pune.
- 8. Grinding oil filtration plant Pune.
- 9. Admin building light tube light replaced with LED at Pune.
- 10. Energy Meter each segment machines and technical gases flow meter – Pune.
- 11. Replacement of induction motor from centerless grinding machine with energy efficient motor.
- 12. Reduction in heat loss in hardening furnace.
- 13. Heat Recovery Projects in Heat treatment– Pune.
- 14. Hall 01 air cooled chiller replacement with water cooled chiller – Pune.
- 15. Rainwater harvesting hall 1 – 8960 M3 – Pune.
- 16. Rainwater harvesting hall 2.2.1 – 8534 m3 -Pune.
- 17. RO Rejected water – 2981 m3 – Pune.
- 18. Energy optimization – Assembly hydraulic press 11.84 MWh Saving - Hosur.
- 19. Refrigerant chiller replaced by Air blast cooler in EK17 hydraulic power pack - Hosur.
- 20. Pilot pump elimination from Laufer press – 25 MWh saving without investment in Hosur.
- 21. Heat recovery from Facing line ovens – 12 MWh saving from Hosur.
- 22. Press shop (Ona press) 55 Kw motor elimination in Hosur.

Environment Health & Safety, Pune

- 1. Annual medical checkup conducted in October 2025, total employees covered 1048.
- 2. TT vaccination camp March 12 to March 31, 2025, total employees covered 248.
- 3. Eye vision test for product inspection employees covered 239.
- 4. Safety Guard, machine interlock & Light curtain provided Honing, grinding machine, Assembly machine, Band saw machines, Manual operating Machine.
- 5. Bin lifters equipment side guard railing, marking & foot guard provided.
- 6. ETP STP Filter media changed as per requirement.
- 7. ETP area chemical sludge bed installed for better water quality.
- 8. Environment Monitoring done as per MPCB norms.
- 9. All machine risk assessment activities were done in March 2025.
- 10. All machine 100% inspection done machine interlock, Emergency switches, safety guards.
- 11. Hazardous waste grinding dust sent to Preprocessing facility 435 Tons.
- 12. Pressure vessels, lifting tools tackles, & Press machine Testing & certification of 100% compliance with legal requirements.
- 13. Fire protection system -Adherence to 100% compliance of servicing activities as per schedule new fire extinguisher added & maintained.
- 14. EXIT signages provided with four-hour battery backup.
- 15. Road Safety signages display plant side area.
- 16. Online work permit system implemented.
- 17. Height work permits mandatory Vertigo test & DISH approved agency training certification added in work permit system.
- 18. Vehicle safety bumper guard provided in logistics loading unloading area.
- 19. Identified all pit area & provided mesh fencing fixed to all pits.
- 20. Standard make antiskid fixed to all steps of staircase.
- 21. Machine related fire extinguisher refill & maintained as per requirement.
- 22. CO2 Suppression system installed in new furnace TC160 machine.
- 23. New SCBA, Gas detector & tripod (Confined space entry) equipment added for safety.
- 24. SRV testing certification of Propane, Nitrogen tank on time.
- 25. Mock drills conducted in plant in year 2025.
- 26. Nitrogen tank PESO license renewed valid up to 2030.
- 27. MPCB CTO renewed valid up to 2027.

- 28. National safety week celebration in plant & different activities conducted during safety week like Poster competition, Safety slogan, Safety poster, Safety quiz, Safety Skit/Drama. Safety oath program conducted in plant.
- 29. Environment Day celebration in plant. Environmental protection-related training given to all employees. Environmental Oath Program conducted in plant.
- 30. EHS & Workplace safety training given to all employees. Training conducted on various topics such as Road safety, Machine safety, Hazard Identification and Risk assessment, Accident prevention, Fire Protection and Prevention, Environment protection, Waste handling, Material handling, rack safety, Chemical safety, CO2 flooding system, High noise safety precaution.
- 31. SCBA training to HT & Maintenance employees.
- 32. Talegaon Dabhade industrial association is celebrating National Safety week program in association with Directorate of Industrial Safety and Health (DISH). In Slogan competition, Mr. Amol Thombare won first prize.
- 33. Waste material disposal facility audit carried out.
- 34. EnEHS internal audit conducted in month of November 2025.
- 35. RO rejected water reuse in gardening & industrial cooling 2981 m3.
- 36. Rainwater harvesting Hall-1 water used in industrial purpose 8960 m3.
- 37. Rainwater harvesting Hall-2.2.1 water used in industrial purpose 8534 m3.
- 38. Returnable packaging Implemented for elimination of wood & paper.
- 39. 50 Volunteers from SIL Pune planted 500 indigenous plants to promote biodiversity & soil health in Wagholi, Pune area.
- 40. Certificates of recognition under sustainability category from CII & HMIL, TVS Motors.
- 41. 3.9 MWH PV installed at admin building Hall 1, Hall 2.2.1 & Open ground.
- 42. Energy conservation by arresting compressor air leakages.

Environment Health & Safety, Hosur

- 1. New SCBA (Self-Contained Breathing Apparatus) and CO₂ fire extinguishers were installed.
- 2. An ESG assessment audit was conducted by Ashok Leyland in July 2025, and an MSIL Fire Safety Audit was conducted in November 2025 as part of our EHS and sustainability initiatives.
- 3. The Hosur plant was honored with the ESG Super 6 Champion Award by Ashok Leyland, recognizing outstanding performance in Environmental, Social, and Governance (ESG) practices.
- 4. Safety and waste management audits were carried out at Tier 2 supplier companies to assess compliance with EHS standards, waste handling practices, hazardous waste disposal procedures, and workplace safety controls.

- 5. A heat detection system has been installed in the heat treatment basement to prevent potential fire incidents.
- 6. Smoke detection systems have been installed in the PD Testing and PGS segment areas to enhance early fire warning capability.
- 7. Modular type automatic fire extinguishers have been installed in the testing rig rooms to enhance localized fire protection.
- 8. A flame proof chemical storage cabinet has been installed in the PGS segment to ensure storage of flammable and hazardous chemicals.
- 9. All newly installed machines in Hall 1 and Hall 2 were subjected to comprehensive safety risk evaluations.
- 10. In compliance with statutory emergency preparedness requirements, 2 evacuation mock drills and 6 fire drills were conducted.
- 11. All lifting equipment and lifting tackles across the facility have been thoroughly examined, tested, and certified by a competent person as required under statutory regulations.
- 12. Effective from February 2025, the disposal method for chemical sludge has been transitioned from landfilling to co processing as a part of sustainability initiatives.
- 13. Biometric access control system installed for all MHE equipment to prevent unauthorized access.
- 14. Additional Solar streetlights (10 no's) installed at plant outer periphery as part of sustainability initiative.
- 15. Certified First Aid training was provided to 30 employees through Medi Skill to enhance employees' emergency response capabilities and ensured compliance with workplace safety requirements.
- 16. ETP renovation has been carried out to improve the quality of treated water.
- 17. The traditional manual work permit system has been transitioned into a digital work permit platform. This shift enhances traceability, approval efficiency, safety compliance, and document control, while reducing paperwork and human error.
- 18. Biomedical waste is being disposed of through TNPCB authorized vendors in compliance with regulatory requirements.
- 19. Energy optimization has been implemented in the assembly hydraulic press, resulting in an annual energy saving of 11.84 MWh.
- 20. The refrigerant chiller in the hydraulic powerpack has been replaced with an air blast cooler, resulting in an annual energy saving of 78 MWh.
- 21. The pilot pump in the hydraulic press has been eliminated with zero investment, resulting in an annual energy saving of 25 MWh.
- 22. Thermal energy recovery has been implemented in the facing line oven, resulting in an annual energy saving of 12 MWh.

- 23. Out of four 55 kW motors in the hydraulic press system, one motor has been eliminated while maintaining the same operational efficiency (12 MWh saving/annum).
- 24. Rainwater has been harvested, stored, and utilized for domestic applications, totaling 2,866 m³ per year.
- 25. Alternative energy sourcing through an offsite renewable PPA and Renewable Energy Certificates has been implemented to neutralize Scope 2 emissions amounting to 25,322 MT of CO₂, achieved through 20.06 GWh of green energy.

Environment Health & Safety, Savli (Vadodara)

- 1. MDF fire protection system for Data room.
- 2. Roof top horizontal lifeline protection system for working at roof in Hall¹.
- 3. Fire line beautification – painting and modification.
- 4. Visual display TV installation at Plant area in both hall for Safety awareness.
- 5. Visual display TV installation at Main gate for Safety awareness and status of the parameter.
- 6. Interlink of all fire panels with IP system for reduction of failure.
- 7. Old mechanical foam extinguisher replaced with New one 50 kg cylinder – 10 numbers.
- 8. One New 360°C rotating Fire monitor system installed near Methanol yard to cover both propane and methanol area.
- 9. One new 360°C rotating and movable fire monitor system for plant placed near Propane yard.
- 10. New machine evaluations are carried out for all new lines such as SRB 920, SRB 460, Roller lines etc.
- 11. Risk assessment carried out for each machine of the plant.
- 12. Carried out lifting tools and tackles inspection during installation, relocation and periodical time zone.
- 13. Emergency EXIT lights and way to EXIT lights installed in HT area with advance feature.
- 14. 5s+2 audit also covers the safety part included gamba work from the segment head.
- 15. Third party safety audit conducted by competent person.
- 16. Fire adequacy report and fire load calculation done for the plant area.
- 17. Emergency hooter system installed in pump room for the auto start of main pump.
- 18. Location specific Evacuation plan with Fire extinguisher mapping prepared and displayed in the plant.
- 19. Canvas material Fire hose pipe replaced with Rubber hose pipe for better quality.
- 20. Full Medical Health Checkup and blood donation camp was organized for all the employees' health check.
- 21. Total training hrs. achieved up to 2953 i.e. 1.5 hrs./ person/year.

- 22. Fire fighting training conducted for more than 35 employees.
- 23. First aid training program conducted for 25 employees.
- 24. Chemical handling, explosion protection, Crane operation, forklift operation, BOPT operation etc special training conducted for the employees.
- 25. Additionally, more than 500 trees are planted in the plant during environment day celebration.
- 26. Water saving project.
- 27. STP water used in cooling tower after treatment at bioscalant system.
- 28. ETP water used in Cooling tower directly.
- 29. STP water used for flushing in new Hall2 washrooms.
- 30. Rainwater harvesting tank water used for the garden in the new hall 2 side.
- 31. Drinking water facility was created at terrace for hall1 and hall2 area for the maintaining the parameter and no human intervention.
- 32. Environment monitoring done by competent people for the air, water and waste.
- 33. All the hazardous waste converted to recycling and preprocessing type in place of landfill and incineration.
- 34. STP optimization and painting and cleaning activity done for the result improvement.
- 35. Safety week, road safety week, near miss identification month, environment day, Fire service day celebration done in the plant for employee awareness.
- 36. Walkway definition implemented in new hall side for employee awareness.
- 37. New parking area fire hydrant points marking done for 'No Parking zone',
- 38. All drain lines covered with checkered plate to eliminate fall hazards in HVAC.
- 39. Safety net installed in all industrial fans to eliminate injury.
- 40. New high-quality racks installed in the Tool crib area of Segment 2, 4 and 5 for the material storage.
- 41. Old Cutter replaced with new type of cutter in plant to eliminate the finger injury.
- 42. Scrapper introduced for the removal of floor marking to eliminate the finger injury.
- 43. New improvement in 2 or 3 steps ladder with checkered plate.
- 44. New 3 ft and 6 ft platform ladders introduced in the plant for maintenance activity in Hall2.
- 45. Modification of conveyer in SRB120 for the movement of employees to protect from head injury.
- 46. Tumbler machine for rollers – to avoid direct contact of hand with tumbler provided hopper with long handle.
- 47. Modification of ALS machine for safety guard and interlock at doors.

- 48. Net provided on conveyer of TRB 90 to stop falling of Rings from height.
- 49. 3 press machines modified with safety features with production team.
- 50. More than 10 cranes installed considering the ergonomic health concern.
- 51. 4 new material handling equipment procure for the segment for ergonomic improvement.
- 52. 5 Nos. Lean lift introduced in the plant for material storage and handling.
- 53. Improved the safety hazards of handling of bigger size ring during assembly – introduced safety stoppers for ring supports.

Maneja (Vadodara)

- 1. Maneja Plant reached the milestone of 1458 days with NO LTIR cases from January 3, 2022 until December 31, 2025.
- 2. Mock drill and Fire drill have been conducted as per defined frequency.
- 3. 746 employees as well as contract people participated in Safety week competitions.
- 4. Environment Day celebration in Plant to create environment awareness.
- 5. 105 units of Blood donated to Jalaram blood Bank by employees in Blood donation camps in National safety week.
- 6. Calculating carbon sequestration storage and oxygen generation by dominant urban trees for scope1 emissions.
- 7. Class K type fire extinguishers are installed in canteen cooking area.
- 8. Fall Protection system has been installed on roof of Hall-2 Furnace area.
- 9. CO2 Suppression system installed in new electrical panel to help minimize damage to electrical equipment and facilities.
- 10. Fire Hydrant system, Gas detection and Fire detection system has been installed in Hall-2 furnace area for the prevention and Extinguishing of fire.
- 11. Recharging (Cleaning + Compressor) of rainwater well for facilitating recharge of rainwater to underground water.
- 12. Conducted third party safety audit, Fire adequacy audit and QRA study of propane, methanol, and ammonia by Third party consultant.
- 13. CGWA License has been renewed.
- 14. Fire Suppression system has been installed in IT server room.
- 15. NDT testing & Hydrotesting has been done of all pressure vessels and air receiver tanks.
- 16. Auto glow fire extinguishers label was fixed in each fire extinguisher for ensuring easily identify the location even darkness or power outages.
- 17. QCFI Safety Convention was held at Vadodara on April 26, 2025. Out of 22 Teams we were awarded "Best

- Case Study Presentation" along with Gold Award - Par Excellence Award. It is a testament to our commitment to ensure Safe and Sustainable Working Culture.
18. Testing of Dust fume extraction system has been done.
19. Safety committee meeting has been carried out as per defined frequency.
20. All Lifting tools and tackles are certified by competent authorities.
21. First aid training Program for selected employees with certification around 29 employees.
22. Postural Correction & Digital Detox training provided in segment and covered 117 employees.
23. Provision & installation of creche room in front of admin building garden.
24. Audit conducted to Hazardous waste and Non-Hazardous Waste collectors.
25. Emergency lights have been fixed in passage area.
26. Environment Audit done by the Micro vision which was GPCB approved auditor.
27. Recycle waste rate achieved by 0.35% in 2025.
28. Digital work permit module has been initiated, and Demo call has been conducted for Digital work permit module with all CFT teams.
29. New Jockey pump has been installed in Fire pump house.
30. LPG bullet tank license from PESO was renewed.
31. Overhead tank stability study has been done by third party competent person.

32. Water audit has been conducted by Ramans Enviro Ltd. as per CGWA guidelines.
33. 1057 nos. of employees covered with Total Training Hours achieved for the year 2025 is 1944 hrs. with different shop floor and classroom training.

B. Technology Absorption

1. The efforts made towards technology absorption

- ACBB & DRACBB Grinding & Assembly line, Savli.
- Grinding line for TRB, Savli.
- LSB < 920 Line, Savli.
- Roller Line 20-80 mm < 20-90 mm, Savli.
- Yadon forming Press 02 for SLH housing, Pune.
- Ace Turning Machine 8th & 9th line for GEH, Pune.
- Heat Treatment on New TC160 Furnace #4, Pune.
- Chamber Furnace Line for through hardening, Carburizing, Carbonitriding, Maneja.
- Durotect Z Coating Line for TAROL, Maneja.
- TAROL Grinding line, Maneja.

2. Benefits derived like product improvement, cost reduction, product development or import substitution

The Product reliability with customer-oriented Productivity and Schaeffler global Quality level is ensured with empowered technology of Schaeffler group with introduction of new Technology, better working condition, improved metrology and Global standards of Quality of our products with meeting all compliance level of health and safety as per ISO45001 standards for local and global customers.

3. Details of Imported Technology (Imported during the last three years reckoned from the beginning of the year)

Technology	Year of import	Whether is fully absorbed?	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
KIG Bore Grinding	2023	Yes	
Jupiter500 OD Grinding machine	2023	Yes	
KEG/KIG Grinding machines for CRB	2023	Yes	
Supfina OD honing for Noro	2023	Yes	
Zenoptic at Instrument Room Hall 2	2023	Yes	
MAS in TRB < 90 Line	2023	Yes	
Hembrug Turning machine	2023	Yes	
Supfina 778/2	2023	Yes	
SLH forming press	2023	Yes	
Centerless grinder Jupiter for KOT ASEH	2023	Yes	
Junker face grinder for ASEH	2023	Yes	
Heat treatment furnace for SLH localization	2023	Yes	
One-way clutch machine	2023	Yes	
Injection molding machine	2023	Yes	
MAS_NOVA_SLH	2023	Yes	
Flat Arres relocation from Sternhagen	2023	Yes	
Hwacheon Horizontal Turning machine	2023	Yes	
FANUC Special Spindle for milling of Pressure Plate	2023	Yes	

Technology	Year of import	Whether is fully absorbed?	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
Broaching Line for Wheel Bearing from FAT	2024	Yes	
New Generation 1 Wheel bearing line from SMX	2024	Yes	
Forming Technology for SLH Housing, IBI Pune	2024	Yes	
5x Meg75s ROL From SMB-SWE, Savli	2024	Yes	
Supfina 778/4 Roller honing from Germany, Savli	2024	Yes	
VS/VH 120 machines from SMB-SWE, Savli	2024	Yes	
VS/VH 460 machines from SMB-SWE, Savli	2024	Yes	
2x Relocated lines from Slovakia, Savli	2024	Yes	
Planetary Gear Shaft Line from Szombathely, Hungary	2024	Yes	
EMAG VL 8 Hard Turning, Maneja	2024	Yes	
KIG150 - Bore Grinding, Maneja	2024	Yes	
Monforts Turning Machine	2024	Yes	
Karl Klink Broaching Machine	2024	Yes	
KIG/KEG Machines from SMB-Korea, Maneja	2024	Yes	
VH Machines from SMB-SWE	2024	Yes	
Maurer Demagnetization System, Maneja	2024	Yes	
Jupiter500 OD Grinding machine, Maneja	2024	Yes	
Saturn H-1x Face Grinding machine, Maneja	2024	Yes	
Saturn H-2x Face Grinding machine, Savli	2024	Yes	
Diskus DDW 660XL Face Grinding machine, Savli	2024	Yes	
Diskus DDS 600 XL Face Grinding machine, Savli	2024	Yes	
IFS 62 BM Bore grinding machine, Savli	2024	Yes	
Nova PGE 10-150, Savli	2024	Yes	
AFS 36 Rol from SMB China, Savli	2024	Yes	
O. ERRE.PI -2x Face Grinding machine, Savli	2024	Yes	
O. ERRE.PI -1x Face Grinding machine, Maneja	2024	Yes	
EMAG VL2: 2xHard turning machine, Maneja	2024	Yes	
EMAG VL6: 2x Hard turning machine, Savli	2024	Yes	
EMAG VL8: Hard turning machine, Savli	2024	Yes	
Yadon forming Press 01 for SLH housing, Pune	2024	Yes	
Jupiter500 OD Grinding machine, Pune	2024	Yes	
160T Hydraulic IMM relocation, Pune	2024	Yes	
Junker Saturn Face Grinding Machine, Pune	2024	Yes	
Mikrosa M400 -2x OD Grinding machine, Pune	2024	Yes	
Hard Turning for PGS Shaft, Hosur	2024	Yes	
Grinding for PGS Shaft, Hosur	2024	Yes	
Laser Welding for PGS Assembly, Hosur	2024	Yes	
Washing Machine-2x for PGS, Hosur	2024	Yes	
Laser Welding Machine, Hosur	2024	Yes	
Brushing Machine, Hosur	2024	Yes	
Drilling Machine, Hosur	2024	Yes	
Assembly Line, Hosur	2024	Yes	
KRG Lip Grinding Machine, Savli	2025	Yes	
ACBB & DRACBB Grinding & Assembly line, Savli	2025	Yes	

Technology	Year of import	Whether is fully absorbed?	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
Grinding line for TRB, Savli	2025	Yes	
Roller line, Savli	2025	Yes	
VNL80H- Hard turning Machine, Savli	2025	Yes	
LZS Double Face Grinding, Savli	2025	Yes	
MIG920T Grinding machine, Savli	2025	Yes	
AJS728A, Addition honing machine, Savli	2025	Yes	
Yadon forming Press for SLH housing, Pune	2025	Yes	
Nova 2GR 10/65 machine, Pune	2025	Yes	
Ace Turning Line-9 th for GEH Soft Turning, Pune	2025	Yes	
Heat Treatment on New TC160 Furnace #4, Pune	2025	Yes	
TAROL Grinding Line, Maneja	2025	Yes	
Durotect Z Coating Line for TAROL	2025	Yes	
VH240G2B Honing machine, Maneja	2025	Yes	

4. Details of Expenditure incurred on R&D are as follows

(₹ in Million)		
Particulars	2025	2024
Capital	39.8	67.6
Recurring	977.7	1,002.8
Total	1,017.5	1,070.4
% of Turnover	1.1%	1.3%

5. Foreign Exchange Earnings and Outgo

(₹ in Million)		
Particulars	2025	2024
Earning:		
Earning in foreign exchange		
Sale of Service Income	26.0	13.6
FOB value of exports	14,027.3	10,530.6
Other	430.7	235.0
Total foreign exchange earned	14,484.0	10,779.2
Outgo:		
CIF value of Imports:		
Raw materials, Components, Products purchased for Sale, Stores & Spares, Capital goods and intangible assets	34,563.1	32,788.2
Expenditure in foreign currency		
Fees for use of technology	1,890.2	1,555.6
Dividend paid to Shareholders	3,244.2	3,012.1
Total foreign exchange used	39,697.5	37,355.9

Corporate Governance Report

1. Company’s Philosophy on Code of Corporate Governance

The Company acknowledges its responsibilities as a corporate citizen and committed to embrace high Corporate Governance standards and industry-leading practices. It is Company’s conviction that robust governance mechanisms empower management to efficiently steer and oversee operations, thereby optimizing value for all stakeholders. The key tenets of the Company’s approach to Corporate Governance include:



Placing strong emphasis on honesty and accountability.



Embedding practices designed to uphold high ethical standards and ensure effective oversight.



Striving to enhance value delivery for all stakeholder groups.

The Company conducts its business with integrity, fairness and mutual respect. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in view the needs and interests of all its stakeholders. It is important for the Company to achieve economic success and to act responsibly towards the environment, people and society.

These principles are also emphasized through the Company’s Code of Conduct applicable to the Board, Senior Management and employees of the Company. Under its comprehensive Code of Conduct, the Company is committed to a culture of sustainability and views it as a prerequisite for the Company’s long-term success.

During the year, the Company complied with the provisions relating to Corporate Governance as provided under the SEBI (Listing Obligations Disclosure Requirement) Regulation, 2015 (“SEBI Listing Regulations”). The Corporate Governance Report, together with a certificate confirming the compliance is provided in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

2. Board of Directors

The actions and decisions of the Board of Directors are guided by the Company’s best interest and therefore take into account the interest of the Shareholders, employees and other stakeholders of the Company in

order to add long-term value. Your Board of Directors closely monitor the performance of the Company, approves the business plans, reviews the strategy and strives to achieve organisational growth. Your Board ensures statutory compliances and ethical conduct and place high importance on the internal financial reporting. In addition, the Board of Directors is also responsible for ensuring compliance with Corporate Governance requirements and oversees that the activities of the Company are aligned with the Company’s Philosophy on Code of Corporate Governance, thereby promoting transparency, accountability, and integrity in all aspects of the Company’s operations.

(A) Composition of Board

- (i) The Managing Director is entrusted with the substantial powers of the management of the Company. He is assisted by Core Management Team and Senior Executives comprising of experts from the respective fields.
- (ii) The ‘Board of Directors’ is constituted with an optimum combination of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors, as per the prevailing regulatory requirements. As on December 31, 2025, the Company had 7 (Seven) Directors, consisting of which 5 (Five) Directors are Non-Executive Directors, including 1 (One) Non-Executive Woman Director and out of these 5 (Five), 3 (Three) are Independent Directors including 1 (One) Independent Woman Director.
- (iii) None of the Directors on the Board is a member of more than 10 (Ten) Committees or a Chairperson of more than 5 (Five) Committees as stipulated in Regulation 26(1) of the SEBI Listing Regulations across all the Indian Public Companies, in which he/ she is a Director.

The Annual Disclosure for the Committee position and other Directorship has been provided by all the Directors.

- (iv) The names and categories of the Directors on the Board, their attendance at Board Meetings, last Annual General Meeting held during the year, number of Directorships held by them in Indian Companies and Committee Chairmanship/ Membership held by them in Indian Public Companies as of December 31, 2025, are given below. For reckoning the maximum number of Chairmanships/ Memberships in committees, only 2 (Two) committees viz. ‘Audit Committee’ and ‘Stakeholders Relationship Committee’ of the Board have been considered.

Name of Director and Director Identification No. (DIN)	Category ¹	No. of Directorship Including Schaeffler India Ltd. ²	Committee Positions ²		Name of Listed Company	Attendance in Board Meetings held in 2025	Attended last AGM held on April 30, 2025
			Membership (Chairpersonship) in Audit and Stakeholders Relationship Committee	Membership (Chairpersonship) in all Committee			
Eranti V. Sumithasri (07087197)	NE & ID	1	1(1)	3(1)	• Schaeffler India Limited	5	Yes
Arvind Balaji (00557711)	NE & ID	8	4(0)	8(1)	• Schaeffler India Limited • India Nippon Electricals Limited	4	Yes
N. V. Sivakumar (03534101)	NE & ID	5	2(5)	10(8)	• Schaeffler India Limited • Computer Age Management Services Limited • 3M India Limited • Kennametal India Limited	5	Yes
Andreas Schick (09257160)	NED & NID	1	1(0)	2(0)	• Schaeffler India Limited	4	Yes
Jens Schüler (10422738)	NED & NID	1	0(0)	2(0)	• Schaeffler India Limited	5	Yes
Harsha Kadam (07736005)	E & NID	1	1(0)	2(1)	• Schaeffler India Limited	5	Yes
Hardevi Vazirani (10212814)	E & NID	1	2(0)	3(0)	• Schaeffler India Limited	5	Yes

¹ E & NID: Executive and Non-Independent Director, NE & NID: Non-Executive and Non-Independent Director, NE & ID: Non-Executive and Independent Director.

² Company Directorships includes directorships in all listed and Indian Public limited companies and excludes Private limited companies, foreign companies and Section 8 companies. The details of Committee Chairmanships/ Memberships are disclosed as per Regulation 26 of the SEBI Listing Regulations and other Committees of the Board of Directors.

Notes:

Dharmesh Arora resigned effective from May 31, 2025 to pursue other career opportunities outside Schaeffler AG and has confirmed that there is no material reason for his resignation other than the one provided.

Amit Kalyani resigned effective from July 23, 2025 due to his other professional commitments and has confirmed that there is no material reason for his resignation other than the one provided.

(v) Executive Directors:

- Harsha Kadam, Managing Director & CEO holds a bachelor’s degree in Mechanical Engineering from Bangalore University and Diploma in Finance and Marketing from IGNOU. He has done Executive Development course in Marketing from IIM Bangalore and Executive Management Programme from National University of Singapore and has a vast experience in various functions like Sales, Manufacturing and Product Design/ Development.
- Hardevi Vazirani, Director-Finance & CFO, holds Bachelor of Commerce degree from MS University, Vadodara. Hardevi completed Diploma in Business Management from ICFAI, Hyderabad and Diploma in Computer Studies from NCC UK, Management Programmes from INSEAD, IIM-Bangalore, Certified Accounting Specialist, from Accovalist Institute, Germany, and Global Leadership Excellence Programme, International Management Training and Regional Management Pool programme of Schaeffler Group and has a vast experience in in IT, Finance & Corporate Strategy including invaluable international exposure.

(vi) Independent Directors:

- Arvind Balaji, holds a Bachelor’s degree in Mechanical Engineering from BITS Pilani, a Master’s degree in Manufacturing System Engineering from Stanford University and an MBA in Finance from Wharton School, University of Pennsylvania and has a vast experience in the business operations, investment banking, financing and M&A transactions.
- Eranti V. Sumithasri, holds Master’s degree in Computer Science & Engineering from University of Connecticut, USA and Bachelor’s degree in Computer Science from Visvesvaraya College of Engineering, India and has a vast experience in business leadership, technology, consulting and financial services industry.
- N. V. Sivakumar is a Chartered Accountant from Institute of Chartered Accountants of India and holds Bachelor of Commerce degree from Loyola Academy Secunderabad, India and has a vast experience in audit, advisory, and governance.

(vii) Non-Independent Directors:

- Andreas Schick studied Automotive Engineering at the University of Munich and has a vast experience in Production and Supply Chain Management.

- Jens Schüler is Economist from the Johannes Gutenberg University Mainz and has a vast experience in Automotive Aftermarket.
- Maximilian Andreas Fiedler was appointed as Non-Executive Non-Independent Director effective from January 1, 2026. He has studied Bachelor of Science in International Business at the Maastricht University, Master of Science in International Business at the Maastricht University, and Master of Science in Corporate Finance at the EDHEC Business School in Nice, France, and has a vast experience in business operations and finance.

None of the Directors is related inter-se.

Directors’ shareholding in the Company

Harsha Kadam holds 500 Equity Shares of the Company. Eranti V. Sumithasri holds 50 Equity Shares of the Company. None of the other Directors hold any Equity Share of the Company as on December 31, 2025.

(B) Board Meeting(s) during 2025

The gap between any two meetings did not exceed 120 days. 5 (Five) Board Meetings were held during the year 2025 on the following dates:

	Date of Meeting	Time	Venue (Deemed Venue)
1	February 27, 2025	14:30 HRS IST	Virtual (Bengaluru)
2	April 29, 2025	14:00 HRS IST	Virtual (Bengaluru)
3	July 25, 2025	13:15 HRS IST	Virtual (Bengaluru)
4	September 30, 2025	16:50 HRS IST	Virtual (Bengaluru)
5	October 31, 2025	13:30 HRS IST	In-Person (Pune)

The details of attendance of each of the Directors at the Board Meeting(s) are given in the table at Point No. 2(A).

(C) Board Meeting Procedure

Annual Calendar of Board Meetings for the year usually scheduled in advance in the previous year. Notice convening Board Meeting is sent to each of the Directors along with relevant agenda papers as per the regulatory timelines well in advance of the meeting date. The items in the agenda are supported by comprehensive background information which enable the Board to take informed decisions. All significant developments and material events are brought to the notice of the Board, either as a part of the agenda papers in advance of the meeting or by way of presentations or circulation of relevant documents during the meeting.

The Managing Director briefs the Board on the financial performance, operational performance and market scenario. During the reporting year, the Managing Director briefed the Board on ESG, Sustainability Roadmap and Strategy updates and update on economy and market, capacity investment and performance of the Company. In addition, the Managing Director also provides insights on industry trends, comparative analysis of peer companies’ performance, and share price movement, enabling the Board to have a comprehensive understanding of the Company’s performance.

The Board has complete access to all the information of the Company. The following information are provided to the Board periodically:

1. Annual operating plans, budgets and any updates;
2. Capital budgets and any updates;
3. Annual and Quarterly results of the Company and its operating divisions or business segments;
4. Minutes of meetings of Audit Committee & other Committees of the Board of Directors;
5. Quarterly results, Board meeting minutes of Subsidiary of the Company and other important information about the Subsidiary of the Company;
6. The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary;
7. Show cause, demand, prosecution notices and penalty notices which are materially important;
8. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
9. Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
10. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
11. Details of any joint venture or collaboration agreement;
12. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
13. Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.;
14. Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business;
15. Quarterly details of foreign exchange exposure and the steps taken by the Management to limit the risks of adverse exchange rate movement, if material.;
16. Non-compliance, if any, of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

(D) Code of Conduct

The Company has laid down a Code of Conduct, for all its Board Members, Senior Management Personnel and all its employees for avoidance of conflicts of interest. The declarations with regards to its compliance have been received for the year 2025 from all the Board Members and Senior Management Personnel.

There were no material financial and commercial transactions, in which Board Members or Senior Management Personnel had personal interest, which could lead to potential conflict of interest with the Company during the year. The Code of Conduct is also available on Company’s website on following web link: <https://www.schaeffler.co.in/>

[remotemedien/media/_shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/corporate_governance_1/codes_and_policies/2024_10_14_Final_Schaeffler_India_Code_of_Conduct_Clean_Version_F_-_23.10.24.pdf](#).

(E) Familiarisation and training to Directors

Induction, orientation or familiarisation programmes are part of our culture and are also applicable to the Independent Directors of the Company.

Guided by the principles of best Corporate Governance Practices, all the Directors including Independent Directors are provided familiarisation trainings through

various programmes and workshops which give them insights to the Company, including nature of Industry in which the Company operates, business model of the Company, relevant information of business processes, business development, strategy and business plan of the Company. They are also informed about their role, responsibilities, duties and rights from time to time.

The familiarisation and trainings are provided to all the Directors including Independent Directors. Executive Directors, have additional trainings, workshops and orientations depending upon their role, responsibilities and developments in business.

Following programmes, trainings and workshops were conducted for all Directors during the year 2025:

Sr. No.	Particulars	No. of Hours (approx.)	Faculty/Trainer/Speaker	Participants
1	Operational, Financial Performance, Business Performance, Risk Management, ESG etc.	8	CEO & CFO	Board of Directors
2	Special Board & Audit Committee meeting to consider matters viz. Governance structure, revised Business plan, Financial Assistance to wholly owned subsidiary of the Company	2	CEO & CFO	Board of Directors
3	Plant visits to Savli & Maneja	4.5	Plant Heads, VP-Legal & CS	N. V. Sivakumar
4	Inauguration of Shoolagiri Plant	2	CEO & CFO, Plant Head & team	Board of Directors
5	Interaction with Statutory Auditors	0.5	Statutory Auditors	N. V. Sivakumar
6	Onboarding interaction with CEO, CFO & CS teams for the topics viz. Company overview, ICS/IFC Governance, Framework for Related Party Transactions, Forex Risk Management, Financial Audit process	3.5	CEO, CFO & VP-Legal & CS with teams	N. V. Sivakumar

The details of such programmes have been disclosed on the website of the Company on following web-link: <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/independent-directors/>

(F) Meeting of Independent Directors

As per Regulation 25 of the SEBI Listing Regulations, and under the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors was held on October 30, 2025, to review the performance of Non-Independent Directors, Chairperson, Managing Director, other Independent Directors, the Committees of the Board of Directors, and the Board as a whole. The meeting also focused on assessing the quality, quantity, and timeliness of flow of information between Management and the Board to ensure effective participation by the Board Members. This review aimed at promoting accountability, transparency, and the overall effectiveness of the Board and its Committees. All Independent Directors namely Arvind Balaji, Eranti V. Sumithasri, and N. V. Sivakumar were present at the Meeting.

(G) Matrix of skills/expertise/competence of the Board of Directors

Details of the core skills/expertise/competencies identified by the Board of Directors as required in the context of the business(es) and sector(s) in which it operates to function effectively and the names of Directors who possess such skills/expertise/competencies:

Core Skills/Expertise/Competence	Business Management	Strategic Management	Leadership	Engineering and Technology	Finance Management	Governance & Board Dynamics
Harsha Kadam	✓	✓	✓	✓	✓	✓
Hardevi Vazirani	✓	✓	✓	—	✓	✓
Andreas Schick	✓	✓	✓	✓	—	✓
Jens Schüler	✓	✓	✓	—	✓	✓
Eranti V. Sumithasri	✓	✓	✓	✓	✓	✓
Arvind Balaji	✓	✓	✓	✓	✓	✓
N. V. Sivakumar	✓	✓	✓	—	✓	✓

(H) Confirmation of the Board on Independence

Based on the disclosures received from the Independent Directors, the Board of Directors of the Company confirms that the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are Independent of the Management.

(I) Talent Management & Succession Planning

Talent Management at Schaeffler focuses on identifying and nurturing potential leaders, to ensure a sustainable leadership pipeline and to build a future ready organisation. This eventually helps the Company in adapting quickly to the dynamic and changing market conditions and to gain a clear competitive edge.

Succession Planning at Schaeffler drives holistic talent management and encourages existing employees to stay and thrive in their current roles and also prepare them for leadership roles in key positions. Executive Coaching Programme, People Leadership Workshop for People Managers & Individual contributors and other focused development programmes were key initiatives launched to build future leadership pipeline and to focus on desired competencies required for key positions.

A systematic approach to strategic workforce planning to assess current business and functional skills, map future needs, identify gaps, and develop efficient strategy to meet those needs has helped the Company to align with our core people strategy. Through focused Talent Mobility plan, we empower our human capital to make thoughtful horizontal and vertical career movements gaining experience across geographies, stay relevant and make meaningful choices to build their expertise.

3. Audit Committee

(A) Composition of Audit Committee

The Company has constituted Audit Committee, with the powers and roles in accordance with the prevailing regulatory requirements. The Committee acts as a link to connect the Management, Auditors.

As on December 31, 2025, the members of the Audit Committee are:

Sr. No.	Name of Director	Role in the Committee	Category
1.	N. V. Sivakumar	Chairperson	Non-Executive & Independent
2.	Arvind Balaji	Member	Non-Executive & Independent
3.	Eranti V. Sumithasri	Member	Non-Executive & Independent
4.	Andreas Schick	Member	Non-Executive & Non-Independent
5.	Hardevi Vazirani	Member	Executive & Non-Independent

Amit Kalyani, erstwhile Member of the Audit Committee ceased to be a Member of the Audit Committee effective from July 23, 2025, on account of his resignation from the position of Directorship from the Board of the Company. As on the date of the report, Mr. Andreas Schick ceased to be a Member of the Audit Committee.

The Company Secretary acts as the Secretary to the Audit Committee of the Board of Directors of the Company.

(B) Meetings of Audit Committee and Attendance of Members

Details of the Audit Committee Meetings held during 2025 are as follows:

Audit Committee Meeting(s)	I	II	III	IV	V
Dates	February 27, 2025	April 29, 2025	July 25, 2025	September 30, 2025	October 31, 2025
Start Timing	11:30 HRS IST	11:15 HRS IST	10:30 HRS IST	15:30 HRS IST	09:00 HRS IST
Venue (Deemed venue)	Virtual (Bengaluru)	Virtual (Bengaluru)	Virtual (New York)	Virtual (Bengaluru)	In Person (Pune)
Attended by	N. V. Sivakumar	N. V. Sivakumar	N. V. Sivakumar	N. V. Sivakumar	N. V. Sivakumar
	Arvind Balaji	-	Arvind Balaji	Arvind Balaji	Arvind Balaji
	Eranti V. Sumithasri	Eranti V. Sumithasri	Eranti V. Sumithasri	Eranti V. Sumithasri	Eranti V. Sumithasri
	Hardevi Vazirani	Hardevi Vazirani	Hardevi Vazirani	Hardevi Vazirani	Hardevi Vazirani
	Andreas Schick	Andreas Schick	Andreas Schick	Andreas Schick	Andreas Schick

The Audit Committee invites such Executives as it considers appropriate to be present at the meeting including but not limited to the representative of Statutory Auditors, Cost Auditors and the Internal Auditor of the Company.

All the members of Audit Committee are financially literate and majority of them have Accounting and Financial Management expertise. The Chairperson of the Audit Committee, N. V. Sivakumar, attended the 62nd Annual General Meeting held on April 30, 2025.

- The Audit Committee mandatorily reviews:
1. Management Discussion and Analysis of financial condition and results of operations;
 2. All Related Party Transactions submitted by Management;
 3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors, if any;
 4. Internal Audit Reports;
 5. The appointment, removal and terms of remuneration of the Chief Internal Auditor; and
 6. Statement of deviations, if any.
6. Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the Auditors’ independence and performance and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the Company with Related Parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the Company, wherever it is necessary;
 11. Evaluation of internal financial controls and Risk Management systems;
 12. Reviewing, with the Management, performance of Statutory Auditors and Internal Auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with Internal Auditors of any significant findings and follow up thereon;
 15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board;
 16. Discussion with Statutory Auditors before the Audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the Whistle- Blower Mechanism;
 19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
 20. Consider and comment on rationale, cost- benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its Shareholders.
 21. Reviewing the utilisation of loans and/ or advances from/investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/existing investments.

(C) Terms of Reference

The terms of reference of the Audit Committee include matters specified in the Companies Act, 2013, Rules made thereunder, the SEBI Listing Regulations and those specified by the Board in writing. Besides having access to all required information within the Company, the Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise, or obtain legal or other professional advice from external sources, whenever required.

The Audit Committee acts in accordance with the terms of reference which, inter alia, include:

1. Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the Management, the Annual Financial Statements and Auditors’ Report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the ‘Directors’ Responsibility Statement’ to be included in the Board’s report in terms of Section 134(3)(c) of the Companies Act, 2013
 - (b) Changes, if any, in accounting policies and practices and reasons for the same
 - (c) Major accounting entries involving estimates based on the exercise of judgement by Management
 - (d) Significant adjustments made in the financial statements arising out of Audit findings
 - (e) Compliance with listing and other legal requirements relating to financial statements
 - (f) Disclosure of any Related Party Transactions
 - (g) Qualifications/Modified opinion(s) in the draft audit report
5. Reviewing, with the Management, the quarterly Financial Statements before submission to the Board for approval;

4. Nomination and Remuneration Committee

Pursuant to provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations, Nomination and Remuneration Committee of the Board (hereinafter referred to as ‘NRC’) is duly constituted.

(A) Composition of NRC

As on December 31, 2025, the members of the NRC are:

Sr. No.	Name of Director	Role in the Committee	Category
1.	Arvind Balaji	Member	Non-Executive & Independent
2.	Eranti V. Sumithasri	Member	Non-Executive & Independent
3.	N. V. Sivakumar	Member	Non-Executive & Independent

Amit Kalyani, erstwhile Chairperson and Member of the NRC ceased to be a Chairperson and Member of the NRC effective from July 23, 2025, upon his resignation from the Directorship from the Board of the Company.

Dharmesh Arora erstwhile Member of the NRC ceased to be a Member of the NRC effective from May 31, 2025, upon his resignation from the Directorship from the Board of the Company.

N. V. Sivakumar was appointed as a Member of the NRC effective from February 27, 2025.

Maximilian Andreas Fiedler was appointed as the Member of the NRC effective from February 7, 2026.

(B) Meetings of NRC

Details of the Nomination and Remuneration Committee Meetings held during 2025 are as follows:

NRC Meeting(s)	I	II
Dates	February 26, 2025	July 24, 2025
Start Timing	10:00 HRS IST	08:30 HRS IST
Venue (Deemed venue)	Virtual (New York)	Virtual (Chennai)
Attended by	Amit Kalyani	
	Dharmesh Arora	
	Arvind Balaji	Arvind Balaji
	Eranti V. Sumithasri	Eranti V. Sumithasri
		N. V. Sivakumar

(C) Terms of Reference of NRC

The Committee acts as a link between the Management and the Board of Directors. Besides having access to all required information within the Company, the Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise or obtain legal or other professional advice from external sources, whenever required.

The Committee shall act in accordance with the terms of reference which, inter alia, include:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy

relating to the remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees;

- 1A. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - (a) use the services of an external agencies, if required;
 - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (c) consider the time commitments of the candidates
2. Formulation of criteria for performance evaluation of Independent Directors and the Board of Directors;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management positions in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors;
6. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

(D) Annual Performance Evaluation Criteria for Independent Directors:

The criteria for Performance Evaluation of Independent Directors include (i) Attendance at the meetings, (ii) Preparedness and active participation in meetings, (iii) Staying updated on developments, (iv) Constructive contribution made in the meetings, (v) Being objective and protecting interest of all shareholders, (vi) Engaging as well as challenging Management without being confrontational or obstructionist, (vii) Ensuring integrity of financial statements/internal controls, (viii) Ensuring Risk Management system & mitigation measures are in place (ix) Fulfilment of the independence criteria (as specified in the SEBI Listing Regulations) and independence from the Management.

5. Remuneration

(A) Remuneration to the Executive Directors

The Remuneration of Executive Directors (Managing Director and Director-Finance) has fixed as well as variable components. The variable components comprise of ‘Short-Term Bonus’ and ‘Long-Term Bonus’ and the criterias for determination are as under:

A. Short-Term Bonus

- (a) Non-Financial Target (20%)
- (b) Free Cash Flow (40%) and,
- (c) Schaeffler Value Added (40%).

Non-Financial Target (NF):

- a) Qualification KPI measures the participation rate in learning offerings and
- b) Waste generation KPI measures the proportion of non-recycled waste (excluding construction waste) to total waste.

B. Long-Term Bonus

- (a) Service Condition (40%),
- (b) Earning Per Share and Total Shareholders Return (35%) and,
- (c) Climate Neutrality (25%).

Total Shareholders Return (TSR): Relative out performance of Share Price of Schaeffler India Ltd. in comparison of BSE Industrial Index, BSE Auto Index and BSE Capital Goods Index.

Earning Per Share: the target achievement is measured based on the absolute average annual growth of earning per preferred share during the performance period.

Climate neutrality targets are derived from Schaeffler’s long-term climate action plan. For each performance period one or more equally weighted targets are set for the climate neutrality target, which are derived from Schaeffler’s “Path to climate neutrality”.

Rationale:

Free Cash Flow (FCF):

- FCF reflects operational and liquidity performance, a key for short and long- term sustainability;
- FCF reflects ability of the Company to convert it operating performance to cash inflow to meet operational needs and capex for future growth.

Schaeffler Value Added (SVA):

- RoCE is a value-based performance indicator to reflect how efficiently the Company uses its resources.
- SVA is closely linked to RoCE and reflects the interest and needs of all investors.

FCF and SVA together reflects holistic view of short and long-term sustainable performance of the Company and returns to shareholders.

The remuneration to Executive Directors/Senior Management is paid in accordance with the Company Policy, as amended from time to time.

The details of remuneration paid for 2025 to the Managing Director & CEO and Director – Finance & CFO are as follows:

(₹ in million)				
Name	Salary & Performance Bonus	Allowance & Perquisites	Company’s contribution to funds	Total
Harsha Kadam (Managing Director & CEO)	45.2	8.6	1.89	55.7
Hardevi Vazirani (Director Finance & CFO)	7.8	5.4	2.3	15.5

Notes:

- (a) The Company’s contributions include payments to the Superannuation Fund and Provident Fund and exclude gratuity accruals, as gratuity is funded based on an actuarial valuation of the Company as a whole.
- (b) The Company has entered into Employment Agreement with Executive Directors.
- (c) The details of fixed and variable components of the remuneration of Executive Directors are disclosed in the resolution and explanatory statement for their appointment or for revision in remuneration, as the case may be. The criteria for variable performance linked component have been explained in this Report.
- (d) As per employment agreement, either party can terminate agreement by giving 6 (Six) months’ notice in writing. There is no provision for severance fees.
- (e) The Company has no Stock Option Scheme as on December 31, 2025.

(B) Remuneration to the Senior Management

The scheme of variable components comprising Short-Term Bonus and Long-Term Bonus as detailed in point 5 (A) above, is also applicable to the Executive Leadership Team (Senior Management) of the Company.

Details of the Senior Management

Particulars of Senior Management including the changes therein since the close of the previous financial year is as under:

The senior management of the Company comprises of the following employees:

1. Harsha Kadam
2. Hardevi Vazirani
3. Seshan Iyer
4. Sameer Mathur³
5. Vinod Acharya
6. Madhurisha Vippatoori
7. Shibi Mathew
8. Omkar Kulkarni
9. Viswanathan Sambasivam
10. Sharad Bhatia

³ Ceased to be a Member of Senior Management effective from July 1, 2025.

(C) Remuneration to the Non-Executive Directors

As per Shareholders’ approval by way of an Ordinary Resolution passed at 57th Annual General Meeting held on June 30, 2020, Non-Executive Directors are paid ‘Sitting Fees’ for attending Board/Committee Meetings and ‘Profit Related Commission’ based on performance of the Company.

In view of the responsibilities shouldered, time spent and efforts made by the Non-Executive Directors who are in whole-time employment of the Schaeffler Group, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, had approved, inter alia, necessary amendments in Nomination and Remuneration Policy, for payment of sitting fees and profit related commission to such Non-Executive Directors.

Accordingly, effective April 1, 2019, the Non-Executive Directors including the Non-Executive Director of

Schaeffler Group, have been paid sitting fees for attending meetings of Board/Committees thereof, unless specifically waived by the concerned Non-Executive Director. The Shareholders approved the payment of sitting fees and profit related commission to be paid to the Non-Executive Directors and the payments have been made accordingly.

The details of sitting fees for attending Board/Committee Meetings held during the year 2025 and profit related commission for the year 2024 paid to them are as follows:

Name of Director	Board Meetings	Audit Committee Meetings	Stakeholders Relationship Committee Meetings	Nomination & Remuneration Committee Meetings	Corporate Social Responsibility Committee Meetings	Risk Management Committee Meetings	Sitting Fees (₹)	Commission (₹)
Renu Challu ¹	-	-	-	-	-	-	-	4,720,000
Arvind Balaji	4	4	-	2	2	-	780,000	4,880,000
Amit Kalyani ¹	0	0	-	1	0	-	55,000	3,680,000
Eranti V. Sumithasri	5	5	1	2	-	3	1,030,000	7,470,000
N. V. Sivakumar	5	5	-	1	1	-	810,000	860,000
Dharmesh Arora ¹	2	-	-	1	-	2	315,000	4,880,000
Andreas Schick ²	4	5	-	-	-	2	-	-
Jens Schüler ²	5	-	-	-	2	3	-	-

¹ Renu Challu ceased to be Director of the Company w.e.f November 5, 2024. Dharmesh Arora ceased to be Director of the Company w.e.f May 31, 2025. Amit Kalyani ceased to be Director of the Company w.e.f July 23, 2025.

² Effective April 1, 2019, sitting fees for attending meetings of Board and Committees thereof are paid to the Non-Executive Directors who are in whole- time employment of the Schaeffler Group. Andreas Schick and Jens Schüler have decided not to accept sitting fees and commission.

All the Directors have been reimbursed for expenses incurred by them in discharge of their duties. The payments made to a Director in his/her individual capacity have been disclosed.

However, none of these Independent Directors have any material pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Senior Management, Holding Company, Subsidiary Company and its Associates or their promoters, or directors which may affect their independence. The Company has not entered into any materially significant transaction with Promoters, Directors or their Relatives or its Management that may have potential conflict with the interests of the Company.

During the year, there were no transactions entered with the Non-Executive Directors or their relatives.

6. Stakeholders’ Relationship Committee

Pursuant to provisions of Section 178(5) of the Companies Act, 2013 read with Regulation 20 of SEBI Listing Regulations, ‘Stakeholders’ Relationship Committee’ (‘SRC’) of the Board has been constituted.

(A) Composition of SRC

As on December 31, 2025, the Committee consists of following members:

Sr. No.	Name of Director	Role in the Committee	Category
1.	Eranti V. Sumithasri	Chairperson	Non-Executive & Independent
2.	Harsha Kadam	Member	Executive & Non-Independent
3.	Hardevi Vazirani	Member	Executive & Non-Independent

(B) Meetings of SRC & Attendance of Members

The Committee meets to deal with matters relating to redressal of complaints from Shareholders regarding transfers, non-receipt of Annual Report, non-receipt of declared dividends etc. and to review effectiveness of Investors’ Relations system of the Company.

Details of the SRC Meetings held during 2025 are as follows:

SRC Meeting(s)	I
Dates	April 29, 2025
Start Timing	08:45 HRS IST
Venue (Deemed venue)	Virtual (Bengaluru)
Attended by	Eranti V. Sumithasri
	Harsha Kadam
	Hardevi Vazirani

The Chairperson of the SRC, Eranti V. Sumithasri, attended the 62nd Annual General Meeting held on April 30, 2025.

Ashish Tiwari, VP-Legal & Company Secretary is the Compliance Officer of the Company. During the year 2025, total of 11 (Eleven) complaints were received.

All complaints received during the year 2025 were attended to and resolved to the satisfaction of shareholders. There was no complaint pending as on December 31, 2025.

(C) Terms of Reference of SRC

The Committee acts in accordance with the terms of reference which, inter alia, include:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;

2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company;
5. The Committee shall meet at least once a year.

7. Corporate Social Responsibility Committee

The ‘Corporate Social Responsibility Committee’ (‘CSR Committee’) of the Board constituted pursuant to the provisions of Section 135 of the Companies Act, 2013, comprises the following members:

(A) Composition of CSR Committee

Sr. No.	Name of Director	Role in the Committee	Category
1.	Arvind Balaji	Chairperson	Non-Executive & Independent
2.	N. V. Sivakumar ¹	Member	Non-Executive & Independent
3.	Jens Schüler	Member	Non-Executive & Non-Independent
4	Harsha Kadam	Member	Executive & Non-Independent

¹ Appointed as a Member of the CSR Committee effective from February 27, 2025

Amit Kalyani ceased to be a Member of the CSR Committee effective from July 23, 2025, upon his resignation from the Directorship from the Board of the Company.

Maximilian Andreas Fiedler, Non-Executive Non-Independent Director of the Company appointed as the Member of the CSR Committee effective from February 7, 2026.

(B) Meetings of CSR Committee & Attendance of Members

During the year 2025, 2 (Two) meetings of CSR Committee were held, details of which are as follows:

CSR Meeting(s)	I	II
Dates	February 26, 2025	October 30, 2025
Start Timing	14:00 HRS IST	17:30 HRS IST
Venue (Deemed venue)	Virtual (Chennai)	Virtual (Delhi)
Attended by	Arvind Balaji	Arvind Balaji
	Harsha Kadam	Harsha Kadam
	Jens Schüler	Jens Schüler
		N. V. Sivakumar

(C) Terms of Reference of CSR

The Committee shall act in accordance with the terms of reference which, inter alia, include:

1. To formulate and recommend to the Board a CSR Policy which will define the focus areas and indicate the activities to be undertaken by the Company under CSR domain and recommend the amount of expenditure to be incurred on such activities;

2. To recommend to the Board necessary amendments, if any, in the CSR Policy from time to time;
3. To formulate the Annual Action Plan, monitor the budget under the CSR activities of the Company;
4. To accomplish various CSR projects of the Company independently or through intermediary agencies, as the case may be.

8. Risk Management Committee

The ‘Risk Management Committee’ (‘RMC’) has been constituted pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations, comprises of the following members:

(A) Composition of RMC

Sr. No.	Name of Director	Role in the Committee	Category
1.	Harsha Kadam	Chairperson	Executive & Non-Independent
2.	Eranti V. Sumithasri	Member	Non-Executive & Independent
3.	Andreas Schick	Member	Non-Executive & Non-Independent
4.	Jens Schüler	Member	Non-Executive & Non-Independent
5.	Hardevi Vazirani	Member	Executive & Non-Independent

Dharmesh Arora, erstwhile Chairperson and Member of the RMC ceased to be a Chairperson and Member of the RMC effective from May 31, 2025, upon his resignation from the Directorship from the Board of the Company.

Sameer Mathur, erstwhile Member of the RMC ceased to be a member of RMC effective from July 1, 2025.

Maximilian Andreas Fiedler, Non-Executive Non-Independent Director of the Company appointed as the Member and Chairperson of the RMC effective from February 7, 2026.

(B) Meetings of RMC & Attendance of Members

The erstwhile Chairperson of RMC, Dharmesh Arora, attended the 62nd Annual General Meeting held on April 30, 2025.

During the year 2025, 3 (Three) meetings of RMC were held, details of which are as follows:

RMC Meeting(s)	I	II	III
Dates	February 26, 2025	April 29, 2025	July 24, 2025
Start Timing	11:30 HRS IST	10:00 HRS IST	10:30 HRS IST
Venue (Deemed venue)	Virtual (Singapore)	Virtual (Pune)	Virtual (Pune)
Attended by	Dharmesh Arora	Dharmesh Arora	
	Eranti V. Sumithasri	Eranti V. Sumithasri	Eranti V. Sumithasri
	Andreas Schick	Andreas Schick	
	Jens Schüler	Jens Schüler	Jens Schüler
	Harsha Kadam	Harsha Kadam	Harsha Kadam
	Hardevi Vazirani	Hardevi Vazirani	Hardevi Vazirani
	Sameer Mathur	Sameer Mathur	

(C) Terms of Reference of RMC

The Committee shall act in accordance with the terms of reference which, inter alia, include:

1. The Committee shall formulate a detailed Risk Management Policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the Company,

- in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- Measures for risk mitigation including systems and processes for internal control of identified risks; and;
 - Business continuity plan.

2. The Committee shall ensure that appropriate methodology processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
3. The Committee shall monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems.
4. The Committee shall periodically review the Risk Management Policy, at least once in two years, including

- by considering the changing industry dynamics and evolving complexity.
5. The Committee shall keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
6. The Committee shall review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any.
7. The Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.
8. The Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

9. General Body Meetings & Postal Ballot

Meetings			
Particulars	60 th AGM	61 st AGM	62 nd AGM
Date	April 18, 2023	April 26, 2024	April 30, 2025
Start Timing	3:30 PM IST	3:30 PM IST	3:30 PM IST
Venue/Deemed venue	Hotel SAYAJI, Pearl Hall, 135/136, Mumbai – Bengaluru Bypass Highway, Wakad, Pune, Maharashtra 411 057	Video Conferencing/Audio Visual means 15 th Floor, ASTP (Amar Sadanand Tech Park), Baner, Pune – 411 045	Video Conferencing/Audio Visual means 15 th Floor, ASTP (Amar Sadanand Tech Park), Baner, Pune – 411 045
Resolution passed			
Ordinary Business			
Adoption of accounts at	December 31, 2022	December 31, 2023	December 31, 2024
Declaration of Dividend	Dividend of ₹24 per equity share of ₹2 each	Dividend of ₹26 per equity share of ₹2 each	Dividend of ₹28 per equity share of ₹2 each
Re-appointment of Rotational Director	Corinna Schittenhelm Andreas Schick	Dharmesh Arora	Andreas Schick
Special Business			
Appointment of Directors		Hardevi Vazirani as Director Hardevi Vazirani as a Whole-Time Director, designated as Director-Finance	Eranti V. Sumithasri
Approval on	Material Related Party Transactions	-	Material Related Party Transactions
	Ratification of Remuneration to the Cost Auditors	Ratification of Remuneration to the Cost Auditors	Ratification of Remuneration to the Cost Auditors
			Appointment of Secretarial Auditors

Postal Ballot

During the year 2025, postal ballot activities were not conducted by the Company.

The Board of Directors of the Company appointed Maximilian Andreas Fielder as Additional Director (Non-Executive Non-Independent) effective from January 1, 2026, subject to approval of the Shareholders of the Company within three months of the appointment.

The Board of Directors, by way of circular resolution approved Notice of the Postal ballot on December 26, 2025, for conducting the Postal Ballot seeking approval of the Shareholders of the Company by way of an Ordinary resolution on appointment of Maximilian Andreas Fielder as Non-Executive Non-Independent Director effective from January 1, 2026. The notice of the Postal ballot was dispatched to the Shareholders on February 12, 2026, and the voting period was open from Friday, February 13, 2026 from 9.00 AM to Saturday, March 14, 2026, till 5.00 PM. The result of the Postal Ballot was declared on Saturday, March 14, 2026. The resolution for appointment of Maximilian Andreas Fiedler was approved by the Shareholders with requisite majority. Accordingly, as on the date of the Annual Report, one Postal ballot process was completed.

10. Means of Communication

Pursuant to provisions of the SEBI Listing Regulations, periodical financial results and other publications of the Company are being published in widely circulated English newspapers (The Economic Times) and a Vernacular Marathi newspaper (Prabhat). Financial results, as soon as they are approved by the Board, are submitted with the Stock Exchanges (BSE & NSE).

Communication of Financial Highlights:

The Company voluntarily informs the highlights of the Financial Results to all the Shareholders on quarterly basis through emails.

Website of the Company

Apart from quarterly financial results, we also display official news, press releases and other statutory and business information on the website of the Company: www.schaeffler.co.in

Presentations made to Institutional Investors & to Analysts

The Company regularly conducts Investor and Analysts call after the declaration of Financial Results. The Investor presentations made by the Company to Analysts are submitted with the Stock Exchanges (BSE & NSE) and are also uploaded on the website of the Company. The recordings and transcripts of calls are also available on the website of the Company.

Saksham Niveshak Campaign 2025

The Company participated in the “Saksham Niveshak” campaign, a 100-day special outreach initiative by the Investor Education and Protection Authority (IEPFA), held from 28th July 2025 to 6th November 2025. This campaign aimed to help shareholders claim their unpaid or unclaimed dividends from any financial year, preventing transfer of these dividends and shares to the IEPFA. It also facilitated shareholders in updating KYC details, including bank mandates, nominee registration, and contact information.

As part of the campaign, the Company sent two communications by post and email to eligible shareholders whose dividends or shares were liable for transfer to the IEPF. Additionally, information about the campaign was published on the Company’s website, social media platforms, and submitted to stock exchanges. Newspaper notices providing campaign details were also issued.

11. General Shareholder Information

(i) 63rd Annual General Meeting is scheduled to be held

On : Thursday, the 30th day of April 2026
At : 3:30 PM IST
Mode : Video Conferencing/Other audio visual means

(ii) Financial Year

The Hon’ble Bench of Company Law Board, New Delhi has approved the petition filed by the Company under Section 2(41) of the Companies Act, 2013 and allowed the Company to continue to follow ‘Calendar Year’ as the ‘Financial Year’.

Financial year of the Company is a twelve-month period starting from January 1 to December 31.

Financial Reporting for the respective quarters of 2026 would be carried out within time limit, as per prevailing regulatory requirements.

(iii) Record Date for Dividend/Cut-off date for e-voting

Thursday, April 23, 2026

(iv) Date of Book Closure

Not Applicable

(v) Dividend

The Dividend for the year 2025 if declared at the 63rd Annual General Meeting scheduled to be held on April 30, 2026, shall be paid within the time limit prescribed in the Companies Act, 2013.

(vi) Listing of Equity Shares on Stock Exchanges

The Equity Shares of the Company are listed on:

- BSE Limited (BSE),**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India.
- National Stock Exchange of India Limited (NSE),**
Exchange Plaza, C-1, Block “G”, Bandra Kurla Complex, Bandra (E), Mumbai – 400051, Maharashtra, India.

The requisite listing fees have been paid to the Stock Exchanges up to March 31, 2025.

(vii) Custodial Fee to Depositories

The Company has paid Annual Custodial Fees for the year 2025-2026 to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

(viii) Stock Code

BSE Limited (BSE)	505790
National Stock Exchange of India Limited (NSE)	SCHAEFFLER
International Security Identification Number (ISIN)	INE513A01022
Corporate Identity Number [CIN]	L29130PN1962PLC204515

(ix) Market Price Data

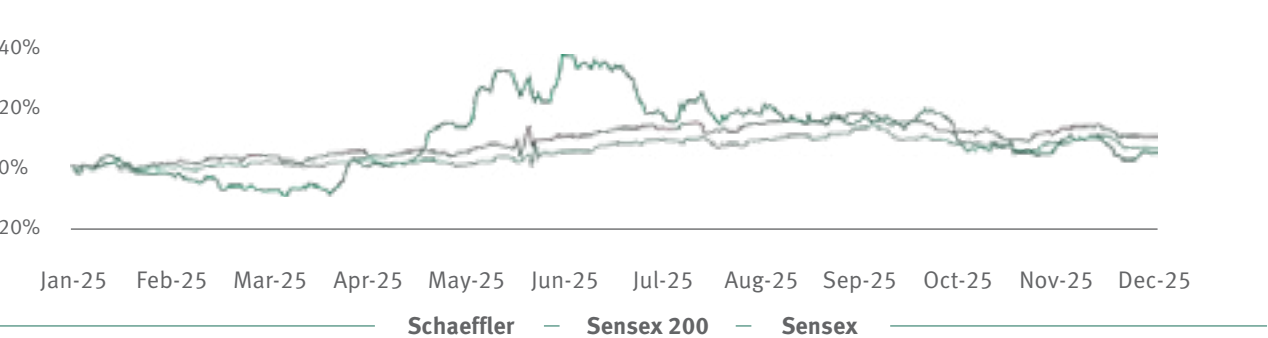
A summary containing monthly High/Low share prices at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) is as under:

Month (For the year 2025)	Equity Shares			
	BSE		NSE	
	High	Low	High	Low
January	3,548.45	3,004.00	3,549.00	3,005.85
February	3,484.10	2,836.55	3,448.00	2,832.05
March	3,737.30	2,940.00	3,736.95	2,940.00
April	3,564.00	2,851.00	3,566.00	2,823.00
May	4,267.85	3,402.75	4,268.00	3,423.90
June	4,360.70	3,828.70	4,364.80	3,825.80
July	4,372.70	3,900.00	4,374.90	3,899.60
August	4,213.50	3,826.85	4,220.00	3,828.10
September	4,268.50	3,760.85	4,280.00	3,750.50
October	4,392.85	3,839.30	4,392.00	3,842.30
November	4,389.25	3,820.00	4,390.00	3,816.00
December	3,966.85	3,703.05	3,970.00	3,704.00

(x) Stock Performance

The performance of the Company’s shares related to the BSE SENSEX and BSE SENSEX 200 for the year 2025 is given below:

Schaeffler India versus BSE SENSEX and BSE SENSEX 200 Stock Return (January 1, 2025 to December 31, 2025)



(xi) Registrar to an Issue and Share Transfer Agent [RTA]

The details are as under:

Name : MUFG Intime India Private Limited
Address : “Geetakunj” 1, Bhakti Nagar Society, Behind ABS Tower, Old Padra Road, Vadodara – 390 015.
Phone No. : 0265 – 3566768
E-mail : investor.helpdesk@in.mpms.mufg.com
Website : <https://in.mpms.mufg.com/>

‘MUFG Intime India Private Limited’ is acting as ‘Registrar to an issue & Share Transfer Agent’ (RTA) for Company’s Equity Shares in physical and dematerialised form.

(xii) Share Transfer System

SEBI has mandated that no share can be transferred in physical mode effective April 1, 2019. Hence, the

Company has stopped accepting any fresh lodgment of transfer of shares in physical form.

In terms of amended Regulation 40 of the SEBI Listing Regulations w.e.f. April 1, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, w.e.f. January 24, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/splitting/consolidation of securities, transmission/transposition of securities. Vide its Circular dated January 25, 2022, SEBI has clarified that listed entities/RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

Shareholders holding equity shares in physical form are urged to have their shares dematerialised so as to be able to freely transfer them and participate in various corporate actions.

Trading in equity shares of the Company is permitted only in dematerialised form.

With an intention to expedite the process of share transmission, the Board of Directors has delegated authority in favour of Key Managerial Personnel, up to 5,000 shares per application. Further, the Board of Directors has delegated authority with regards to approval for issue of duplicate share certificates in lieu of lost/misplaced certificates, in favour of Stakeholders’ Relationship Committee.

Pursuant to the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, certificates have been received from a Company Secretary in Practice for timely dematerialisation of Shares and for reconciliation of the Share Capital of the Company on a quarterly basis.

(xiii) Information on Dividend

The unclaimed or unpaid amount of dividend declared for the financial year ended on December 31, 2018 is due for transfer to “Investor Education and Protection Fund (IEPF)” on June 6, 2026.

Entitled Members are requested to lodge their claims before the last date for claiming unpaid/ unclaimed dividend as shown in the table below for the dividend in respective years.

Details of unclaimed and unpaid dividend

Dividend for year ended	Date of declaration of dividend	Amount due for transfer to IEPF declaration	Amount lying unpaid (₹) as on December 31, 2025
December 31, 2018	April 30, 2019	June 6, 2026	1,200,330.27
December 31, 2019	June 30, 2020	July 30, 2027	1,179,149.82
December 31, 2020	April 27, 2021	May 28, 2028	865,730.00
December 31, 2021	April 27, 2022	May 28, 2029	1,904,958.00
December 31, 2022	April 18, 2023	April 17, 2030	2,394,150.00
December 31, 2023	April 26, 2024	April 25, 2031	3,836,537.00
December 31, 2024	April 30, 2025	April 29, 2032	4,006,596.00
Total amount lying unpaid as on	December 31, 2025	11,380,855.09	15,387,451.09

(xiv) Distribution of shareholding

Shareholding of Nominal Value of ₹	As on December 31, 2025			
	Number of Shareholders	% of Total Shareholders	Share Amount (₹)	% of Total Share Amount
1 to 1,000	68,248	96.8057	4,160,726	1.33
1,001 to 2,000	925	1.3121	1,410,816	0.45
2,001 to 4,000	556	0.7887	1,635,782	0.52
4,001 to 6,000	194	0.2752	988,052	0.31
6,001 to 8,000	100	0.1418	705,014	0.22
8,001 to 10,000	81	0.1149	753,836	0.24
10,001 to 20,000	126	0.1787	1,823,962	0.58
20,001 to 99,999,999,999	270	0.383	301,129,152	96.32
TOTAL	70,500	100.00	312,607,340	100.00

Shareholding of Nominal Value of ₹	As on December 31, 2024			
	Number of Shareholders	% of Total Shareholders	Share Amount (₹)	% of Total Share Amount
1 to 1,000	76,408	97.22	4,330,920	1.39
1,001 to 2,000	905	1.15	1,383,174	0.44
2,001 to 4,000	525	0.67	1,527,858	0.49
4,001 to 6,000	197	0.25	998,276	0.32
6,001 to 8,000	91	0.12	643,438	0.21
8,001 to 10,000	78	0.1	730,738	0.23
10,001 to 20,000	116	0.15	1,695,452	0.54
20,001 to 99,999,999,999	268	0.34	301,297,484	96.38
TOTAL	78,588	100.00	312,607,340	100.00

(xv) Category wise summary of Shareholding [As on December 31, 2025]

Sr. No.	Category	No. of shareholders ¹	No. of shares	%
1.	Promoters (Foreign entities)	4	115,863,235	74.13
2.	Mutual Fund	188	23,188,261	14.84
3.	Foreign Portfolio Investor (Corporate)	176	6,945,666	4.44
4.	Public	66,159	6,730,182	4.31
5.	Other Bodies Corporate	426	504,629	0.32
6.	Others	3,547	3,071,697	1.97
	Total	70,500	156,303,670	100.00

¹ Number of shareholders are clubbed based on unique Permanent Account Numbers (PAN).

(xvi) Dematerialisation of Shares and liquidity

99.9% of the Paid-up Equity Share Capital is held in Dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on December 31, 2025.

	NSDL	CDSL	Physical	Total
Shares (nos.)	153,786,665	2,360,955	156,050	156,303,670
Shares (%)	98.39	1.51	0.10	100

(xvii) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: NIL

(xviii) Commodity Price Risks or Foreign Exchange Risks and Hedging Activities

The Company has adequate risk assessment and minimization system in place including for commodities as well as foreign exchange. The foreign exchange risk is managed through the hedging strategy of the Company which is reviewed periodically. The Company does not have material exposure for any commodity and accordingly, no hedging activities for the same is carried out. Therefore, there is no disclosure to offer in terms of circular of SEBI dated November 15, 2018.

(xix) Plant Locations

The manufacturing activities are being carried out from the plants located at Talegaon (Pune), Maneja (Vadodara), Savli (Vadodara), Hosur (Krishnagiri) and Shoolagiri (Krishnagiri).

(xx) Address for correspondence

Shareholders/Beneficial owners are requested to correspond with the Company’s RTA as shown in Para (xi) above with respect to any query, request, information or clarification pertaining to shares and are further advised to quote their folio number, DP & Client ID number as the case may be, in all correspondence with the RTA. Additionally, shareholders may correspond with the Company at the following addresses:

Registered & Corporate Office

15th Floor, (ASTP) Amar Sadanand Tech Park, Baner, Pune – 411 045 (MH) India.
Phone : +91 20 68198400
E-mail : investorsupport.in@schaeffler.com

(xxi) Other useful information to shareholders

ECS/NECS Facility

The Company uses “National Electronic Clearing Services” (NECS) facility for remitting dividend to its shareholders wherever available.

To enable remittance of dividend through NECS, Members are requested to provide their account number allotted to them by their respective banks after implementation of CBS. The account number must be provided to the Company in respect of shares held in physical form and to the Depository Participants in respect of shares held in electronic form.

Nomination in Respect of Shares

Section 72 of the Companies Act, 2013 provides facility for making nominations by Members in respect of their holding of shares. Such nomination facilitates transmission of shares from the deceased Member to his/her nominee without being required to go through the process of obtaining Succession Certificates/Probate of the Will, etc. It would, therefore, be in the best interest of the Members holding shares as a sole holder to make such nomination. Members holding shares in physical mode are advised to submit form SH-13 to the Registrar and Share Transfer Agent of the Company for making nomination. Members holding shares in demat form are advised to contact their DP for making nominations. Members are further requested to quote their E-mail IDs, DP ID and Client ID, Telephone/Fax numbers for prompt reply to their communication.

KYC

Please refer to SEBI Circular No. SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/655 dated November 3, 2021 issued by SEBI that mandates all the listed companies to record the PAN, Address with PIN code, E-mail address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities. Necessary communication for KYC updation has been sent to the shareholders holding shares in physical mode.

Please refer to the SEBI circular dated January 25, 2022 bearing Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 pursuant to Issuance of Securities in dematerialised form in case of Investor Service Requests which states that henceforth listed companies shall issue the securities in dematerialised form only while processing certain service request. Investors holding securities in physical mode are advised to take a note of instructions mentioned in the said circular and get in touch with MUFG Intime India Private Limited (Erstwhile Link Intime India Private Limited), Registrar and Share Transfer Agent (RTA)

of the Company for processing certain service requests.
(Link: <https://in.mpms.mufig.com/>)

Members are requested to note that pursuant to the SEBI circulars dated November 3, 2021, December 14, 2021, March 16, 2023, November 17, 2023 and SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026, SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91 dated June 23, 2025, HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 26, 2025 it is mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 1, 2024. Members are requested to take note of the above and ensure compliance to the directions from SEBI.

Please refer to the SEBI notification dated 18th November 2025 notifying Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025, through which the SEBI amended Regulation 12 of the SEBI Listing Regulations and in view of the above amendment, henceforth all payments of dividend or interest or redemption or repayment shall be through ‘Electronic Mode’ only and there shall be no physical warrants or cheques or drafts issued towards dividends, interest, redemption or repayment amounts. Accordingly, the Shareholders holding shares in physical mode are requested to update their PAN, KYC details (including Bank Account details) and Nomination by submitting the relevant documents viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 to enable the Company to pay the future dividend, if any, declared by the Company, in electronic mode. The formats for updation of KYC details and Nomination are available on website of Registrar to an Issue and Share Transfer Agent (MUFG Intime India Private Limited) (RTA) website at <https://in.mpms.mufig.com>. Further, the Shareholders holding shares in demat mode are requested to contact their Depository Participant, to update your KYC details including Bank Account details, email id, nomination etc.

To avoid any inconvenience by shareholder holding share(s) in Physical form in future for investor service request, they are hereby informed to comply with applicable SEBI requirements.

Special Window for Re-lodgement of Transfer Requests of Physical Shares

With reference to the SEBI circular dated July 2, 2025, a special window was opened for re-lodgement of transfer deeds, which were lodged prior to the deadline of April 01, 2019 and rejected/returned/not attended to due to deficiency in the documents/process/or otherwise, for a period of six months from July 07, 2025 till January 06, 2026.

During this period, the securities that were re-lodged for transfer, if any (including those requests that are pending with the listed company/RTA, as on date) to be issued only in demat mode. Due processes were followed for such transfer-cum demat requests.

Futher, SEBI vide its circular dated January 30, 2026, another special window was opened for a period February 05, 2026 till February 04, 2027, extending the re-

lodgement of transfer deeds, which were lodged prior to the deadline of April 01, 2019 and rejected/returned/not attended to due to deficiency in the documents/process/or otherwise. Further, the window also allows fresh lodgement for Physical securities sold/purchased prior to April 01, 2019 for which no transfer deeds lodged till date.

12. Disclosures

- (i) The Board has received disclosures from the Senior Management relating to material, financial and commercial transactions, where they and/or their Relatives have personal interest. There are no materially significant Related Party Transactions of the Company, which have potential conflict with the interest of the Company at large; however, transactions with Related Parties as per requirements of applicable Accounting Standard are disclosed under notes to accounts.
- (ii) All transactions with Related Party, as defined under the Companies Act, 2013, the SEBI Listing Regulations, during the year were in ordinary course of business and at arm’s length basis and do not attract provisions of Section 188 of the Companies Act, 2013. The Board has approved a policy on dealing with related party transactions, and the same has been uploaded on the Company’s website at <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>
- (iii) The Company has established Vigil Mechanism to provide for safeguarding against victimisation of Directors, employees, or any other person who follow such mechanism. The Board has approved Whistle-Blower Policy/establishment of Vigil Mechanism pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations and is available at <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>.
As per the Policy, no personnel are denied access to the Audit Committee.
- (iv) There have been no instances of non-compliance, and no penalties or strictures have been imposed on the Company on any matter relating to the capital markets, either by Stock Exchanges, the Securities and Exchange Board of India or any other statutory authority during the last three years, except for the composition of the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulation in the year 2024 and composition of the Audit Committee as per the Regulation 18 of the SEBI Listing Regulations and the guidance provided under Circular issued by the National Stock Exchange of India Limited (NSE) bearing circular Ref No: NSE/CML/2023/31 (‘NSE Circular’) from October 23, 2025 to February 24, 2026. As on the date of this report, the constitution of the Audit Committee is as per the Regulation 18 of the SEBI Listing Regulations and the guidance provided under NSE Circular.
- (v) The Company has adopted and complied with mandatory requirements as per provisions of the SEBI Listing Regulations. Some of the non-mandatory requirements have also been complied with.
- (vi) The requisite certificates from CEO and CFO were placed before the Board Meetings for consideration.
- (vii) The Company has complied with the Corporate Governance requirements specified in Regulations 17

to 27 except as disclosed in point no. (iv) above, and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations. There is no non-compliance with the requirements specified under sub-paras (2) to (10) of Para C of Schedule V of SEBI Listing Regulations.

- (viii) To determine ‘Material Subsidiary’, the Company has adopted a ‘Policy on Determination of ‘Material’ Subsidiary and the same has been hosted on the website of the Company on the following web link:- <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>.
- (ix) The Company has formulated the Dividend Distribution Policy as required under Regulation 43A of the SEBI Listing Regulations and the same is annexed as Annexure - A to this report and also available on the website of the Company at <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>.
- (x) Disclosures required under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 have been included in the Directors’ Report which forms part of the Annual Report.
- (xi) During the year under review, there were no instances wherein recommendation of any Committee of the Board, which is mandatorily required for approval of the Board, were not accepted by the Board.
- (xii) Details of total fees for all services paid by the Company and its Subsidiary to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part have been included in the notes to financial statements which forms integral part of the Annual Report.
- (xiii) A Certificate required from a Practicing Company Secretary with regards to debarment/disqualification of any of the Directors on the Board of the Company from being appointed or continuing as Directors of the Company by the SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed to this report.
- (xiv) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations: Not Applicable
- (xv) Details of Loans and advances in the nature of loans to firms/companies in which the Directors are interested, if any by name and amount are provided in the notes to financial statements which forms integral part of the Annual Report.
- (xvi) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the Statutory Auditors of such subsidiaries: Not Applicable as the Company does not have any Material subsidiary as of the date of this report.

13. Demat suspense Account/Unclaimed suspense account

The Company has transferred shares, the certificates of which remained unclaimed to the Unclaimed Suspense Account of the Company and these shares are being held by the Company in Demat form on behalf of the

beneficial owners of the said shares.

The disclosures with respect to the Unclaimed Suspense Account are as under:

Particulars	Number of shareholders	Number of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	22	10,350
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from suspense account during the year	2	400
Number of shareholders whose shares were transferred to the Investor Education Protection Fund	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	20	9,950

The voting rights on the shares in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

Adoption of Discretionary Requirements

[Reg. 27(1) read with Part E of Schedule II of the SEBI Listing Regulations]

(A) The Board

Eranti V. Sumithasri, Non-Executive Chairperson, is entitled to maintain a Chairperson’s office at the Company’s expense which includes office rentals and assistant, car facility and independent advise from the law firm as and when required.

The total expenses incurred for maintaining the Chairperson’s office were ₹9.51 mn. for FY2025.

(B) Modified Opinion(s) in Audit Report

The Auditors have issued Audit Report for the year 2025 with unmodified opinion(s).

(C) Reporting of Internal Auditor

The Head of Internal Audit reports to the Chairperson of the Audit Committee.

(D) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

Eranti V. Sumithasri is a Chairperson and Independent Director and Harsha Kadam, is a Managing Director and Chief Executive Officer of the Company.

(E) Shareholder Rights

A quarterly declaration of financial performance highlights is sent to each Shareholder of the Company through email.

For and on behalf of the Board

Eranti V. Sumithasri
Chairperson

Bengaluru: February 24, 2026

DIN: 07087197

To,
The Members of Schaeffler India Limited
Re.: Declaration by CEO

I, Harsha Kadam, Managing Director & CEO of Schaeffler India Limited, hereby declare that to the best of my knowledge and belief, all members of the Board of Directors and Senior Management Personnel have confirmed compliance with Company’s Code of Conduct for the year ended on December 31, 2025.

Pune: February 24, 2026

Harsha Kadam
Managing Director & CEO
DIN: 07736005

Dividend Distribution Policy

(Annexure A to Corporate Governance Report)

1. Introduction

In accordance with the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 made effective from July 8, 2016, the top five hundred listed entities based on market capitalisation (calculated as on March 31 of every financial year) are required to formulate ‘Dividend Distribution Policy’. The ‘Schaeffler India Limited’ is ranked 141 as on the effective date of regulation (published in the Official Gazette on July 8, 2016), and therefore this ‘Dividend Distribution Policy’ (the Policy) is formulated with an objective and scope as under. This Policy will come into effect from the effective date of regulation i.e. July 8, 2016.

2. Objectives

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations with an ultimate aim to increase the value of investment made by the Shareholders.

This Policy is aimed for the investors to take a well informed decision for their investment based upon the Company’s criteria to deal with earned/ retained profits.

3. Scope

This Policy intends to bring transparency, on the basis to prevailing circumstances in the Company/Industry – it operates, with respect to deal with distribution of earned/retained profit amongst its existing equity Shareholders. This Policy is and shall be governed under the applicable legal provisions viz;

1. The Companies Act, 2013 (Chapter VIII and other applicable provisions),
2. Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,
3. The Companies (Declaration and Payment of Dividend) Rules, 2014 and
4. Any amendment therein made applicable from time to time.

4. Definitions:

- 4.1 **“Act”** means the Companies Act, 2013, or any statutory modification or re- enactment thereof and includes any Rules and Regulations framed thereunder.
- 4.2 **“Company”** means Schaeffler India Limited.
- 4.3 **“Dividend”** Under Section 2(35) of the Companies Act, 2013, “Dividend” includes any ‘interim dividend’. In common parlance, “dividend” means the profit of a company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them.
- 4.4 **“Free Reserves”** means reserves the utilisation of which is not restricted in any manner.
- 4.5 **“Interim Dividend”** means the Dividend declared in a Meeting of the Board of Directors.

- 4.6 **“Member”** means any person who agrees, either by subscribing to the Memorandum of Association of the Company or by applying in writing, to become a Member of the Company and whose name is entered either in the Register of Members of the Company or in the records of the depository as a beneficial owner in respect of the shares of the Company held by him.

5. Policy on Declaration of Dividend

The Company may declare dividend considering;

- (A) The circumstances under which its shareholders can or cannot expect dividend, which includes;
 - (i) The Company’s Performance trend,
 - (ii) Past years’ (at least 5 years) track record of Dividend Rate, Dividend Outflow including taxes thereon,
- (B) The Company’s Financial Parameters, including;
 - (i) Company’s Profitability,
 - (ii) Value Added,
 - (iii) Earning per Share (EPS)
 - (iv) Free Cash Flow
- (C) Internal & External Factors, including;
 - (i) Business/Financial Projections for Mid Term Period,
 - (ii) Unplanned Liabilities,
 - (iii) Likely financial risks,
 - (iv) Regulatory Changes,
 - (v) Industry trend, market challenges and growth optimism
- (D) Mode of utilization of retained earnings, including;
 - (i) Business Growth & Expansion,
 - (ii) Market Development,
 - (iii) Better Resources Utilisation,
 - (iv) Research & Development,
 - (v) Reducing Long-Term Liabilities
 - (vi) Dividend And
- (E) Other parameters as decided by the Board, provided the Policy is revised to the extent of incorporating those parameters and disclosed on the Company’s website together with its rationale.

6. Target Dividend

- The Company has adopted a progressive dividend policy, intending to sustain or raise the dividend each year, in conjunction with the financial performance and cash profit generation each year.
- Subject to the circumstances and scenarios mentioned in the Policy, the Company shall endeavour to consider a total dividend pay- out ratio in the range of 30% to 50% of the annual standalone

profits after tax (PAT) to be announced by the Company from time to time, subject to the applicable rules and regulations.

7. Distribution of Dividend

- (A) Periodicity:

(i) During the Financial Year –

The Board of Directors of the Company may declare Interim Dividend during any financial year.

(ii) On Completion of Financial Year -

The Board of Directors of the Company may recommend a Dividend for respective financial year and may be declared in the Annual General Meeting.
- (B) Dividend Entitlement:

The members, whose name appear in the Register of Members as on the Record Date/ Book Closure, shall be entitled for the dividend.
- (C) Mode of Payment:

The payment of the dividend would be in cash;

(i) Through electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. for making payment of dividend. OR

(ii) Through issuance of ‘payable-at-par’ warrants/ cheques/demand drafts, in case where bank

details are not available or the electronic payment instructions have failed or have been rejected by the bank,

- (D) Transfer to IEPF:

The dividend remained unpaid and unclaimed for a period of 7 (seven) years (as per the provisions of Sections 124(5) of the Companies Act, 2013) shall be transferred to Investors Education and Protection Fund set up by the Government in that regard.

8. Policy Review/Amendments

- In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or Regulations, then the provisions of the Act or Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.
- i. Statutory Updates

This Policy shall be considered as updated automatically, without any formal approval, to the extent it needs to be aligned with any change in law. An update thereon would be reported to the Board of Directors.
- ii. Other updates

All major procedural updates, shall be effective only if, those are carried out after the review and approval of the Board of Directors.

Corporate Governance Compliance Certificate

For the Financial Year ended December 31, 2025
[Pursuant to Schedule V – Para E of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015]

The Members,
Schaeffler India Limited

We have examined the compliance of the conditions of Corporate Governance by Schaeffler India Limited (“Company”) for the Financial Year ended December 31, 2025 (“review period”) as per the relevant provisions of Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The Compliance of conditions of Corporate Governance is the responsibility of the Company’s Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations, except for the composition of Audit Committee was not in compliance with Regulation 18(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the guidance provided under Circular issued by the National Stock Exchange of India Limited (NSE) bearing circular Ref No: NSE/CML/2023/31 (‘NSE Circular’), due to casual vacancy arose on July 23, 2025, consequent to the resignation of one Independent Director. As on the date of this certificate, the composition of the Audit Committee is as per the applicable statutory requirements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Suresh Kumar Kabra

Partner

Samdani Kabra & Associates

Company Secretaries

ACS No. 9711 | CP No. 9927

ICSI Peer Review No. : 7107/2025

ICSI Unique Code No. : P2002GJ013100

ICSI UDIN : A009711G003989005

Place : Vadodara

Date : February 24, 2026

Certificate of Non-Disqualification of Directors

For the Financial Year ended December 31, 2025
[Pursuant to Regulation 34 (3) read with Schedule V Para C Clause 10 (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015].

The Members of
Schaeffler India Limited

We have examined the Registers, Papers, Books, Records, Forms, Returns, Declarations, Disclosures and other related documents, of Schaeffler India Limited (‘the Company’), having CIN: L29130PN1962PLC204515, having registered office situated at 15th Floor, ASTP (Amar Sadanand Tech Park) Baner, Pune - 411045, Maharashtra, India, as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10 (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, its officers and representatives, we hereby certify that none of the Directors on the Board of the Company, as stated below for the Financial Year ending on December 31, 2025, have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Original Date of Appointment
1.	Amit Babasaheb Kalyani ¹	00089430	11/02/2020
2.	Andreas Alois Schick	09257160	28/10/2021
3.	Arvind Balaji	00557711	06/11/2019
4.	Dharmesh Subhash Chandra Arora ²	05350121	06/03/2017
5.	Eranti Venkataramagupta Sumithasri	07087197	15/07/2020
6.	Hardevi Gordhandas Vazirani	10212814	13/02/2024
7.	Harsha Gopal Kadam	07736005	01/10/2019
8.	Jens Willem Schüler	10422738	01/01/2024
9.	Narumanchi Venkata Sivakumar	03534101	06/11/2024
10.	Maximilian Andreas Fiedler ³	10406377	01/01/2026

¹ Amit Babasaheb Kalyani ceased to be Director of the Company effective from 23.07.2025 (after business hours).
² Dharmesh Subhash Chandra Arora ceased to be Director of the Company effective from 31.05.2025 (after business hours).
³ Maximilian Andreas Fiedler was appointed to be an additional Director of the Company effective from 01.01.2026

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Suresh Kumar Kabra
Partner

Samdani Kabra & Associates
Company Secretaries
ACS No. 9711 | CP No. 9927

ICSI Peer Review No. : 7107/2025
ICSI Unique Code No. : P2002GJ013100
ICSI UDIN : A009711G003988941
Place : Vadodara
Date : February 24, 2026

Independent Auditor’s Report

To the Members of Schaeffler India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Schaeffler India Limited (‘the Company’), which comprise the Standalone Balance Sheet as at 31 December 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2025, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
Revenue Recognition (refer note 25 and 47 of the accompanying standalone financial statements) The Company’s revenue principally comprises sale of goods. Revenue from the sale of goods is recognised at point in time when the control of the goods is transferred to the customers, which is on dispatch/delivery in accordance with the terms of sales contracts. We have identified the recognition of revenue as a key audit matter since the Company has various customers with different terms of trade which increase the risk of error in the timing of revenue recognition. Revenue is determined to be an area involving significant risk in line with the requirements on Standards of Auditing and hence requiring significant auditor attention. The Company and its external stakeholders focus on revenue as a key performance indicator and therefore there could be a risk of material misstatement in so far as revenue recognition is concerned. Considering the aforesaid significance to our audit and the external stakeholders, revenue recognition has been considered as a key audit matter for the current year’s audit.	Our key audit procedures around revenue recognition included, and not limited to, the following: - Obtained an understanding of and assessed the design, implementation and operating effectiveness of management’s key internal financial controls in relation to revenue recognition; - Assessed the appropriateness of the revenue recognition accounting policies of the Company including those relating to variable consideration, by evaluating compliance with the applicable accounting standards. - Selected samples of revenue transactions during the year and inspected underlying customer contracts and shipping documents to identify the terms and conditions relating to the transfer of control of the products sold and assessed the Company’s timing of revenue recognition; - Performed analytical review procedures on revenue recognised during the year to identify any unusual and/or material variances. - Tested selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognised in the appropriate financial period. Evaluated the appropriateness and adequacy of disclosures in the standalone financial statements in respect of revenue recognition with the applicable standards.

Key audit matters	How our audit addressed the key audit matters
Related Party Transactions (refer note 38 of the accompanying standalone financial statements) The Company has entered into several transactions with related parties during the year ended 31 December 2025 and has outstanding balances as the year-end. The Company’s related party transactions comprise purchase and sale of goods, purchase of tangible assets, payments for royalty, information technology services and other services, guarantee commission and reimbursements. Each related party operates under different jurisdiction and applies its own pricing model to be compliant with the respective legal and tax (transfer pricing) framework of the respective jurisdiction. We have identified transactions with related parties as a key audit matter due to quantum of transactions, completeness of the disclosures made in the financial statements, compliance with various tax requirements and judgements involved to ensure arm’s length pricing, compliance with statutory regulations governing related party transactions such as Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (‘the SEBI listing regulations’).	Our key audit procedures around Related party transactions included, and not limited to, the following: • Obtained an understanding and assessed the design, implementation and operating effectiveness of management’s key internal financial controls in relation to identification and disclosure of related party transactions and arm’s length assessment. • Assessed the compliance with the SEBI listing regulations and the regulations under the Companies Act, 2013, including authorisation and approvals as specified in Sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions, as applicable. • Evaluated the compliance with Indian Transfer Pricing Regulations with respect to arm’s length based on the transfer pricing documentation prepared by the Company. This also involved obtaining views from the auditor’s internal tax experts regarding the arm’s length pricing. • On a sample basis, inspected relevant ledgers, agreements and other information that may indicate the existence of related party relationships or transactions. We also assessed the completeness of related parties with reference to the various statutory registers and declarations maintained by the Company’s management. Evaluated the adequacy and appropriateness of the disclosures on related party transactions in the standalone financial statements with the requirements of the applicable accounting standard.

Information other than the Standalone Financial Statements and Auditor’s Report thereon

6.

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7.

The accompanying standalone financial statements have been approved by the Company’s Board of Directors. The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and

- fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9.

The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

10.

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
11.

As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15.

As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16.

As required by the Companies (Auditor’s Report) Order, 2020 (‘the Order’) issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17.

Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) Except for the matters stated in paragraph 17(h) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2025 from being appointed as a director in terms of section 164(2) of the Act;

- f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 December 2025 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i) The Company, as detailed in note 36 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 December 2025;

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 December 2025;

iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 December 2025;

iv)

a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 50(5) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities (‘the intermediaries’), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (‘the Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, as

- disclosed in note 50(6) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (‘the Funding Parties’), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v)

a) The final dividend paid by the Company during the year ended 31 December 2025 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend; and

b) As stated in note 17 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 December 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi) As stated in note 51 to the standalone financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on or after 1 January 2025, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software except at the database level. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm’s Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN: 26042423VNUCFX6408

Place: Mumbai
Date: 24 February 2026

Annexure A

referred to in paragraph 16 of the Independent Auditor’s Report of even date to the members of Schaeffler India Limited on the standalone financial statements for the year ended 31 December 2025

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i)

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three

years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in note 3.1 to the standalone financial statements, are held in the name of the Company, except for the following properties, for which the Company's management is in the process of getting the registration in the name of the Company:

(₹ in million)

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Freehold Land	21.3	LuK India Private Limited	No	Since 8 October, 2018	Property received as a result of merger of companies as stated in note 3.1 to the standalone financial statements wherein the title deeds are in the name of the erstwhile company.

- (d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii)

(a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii)

(a) The Company has provided loans or advances in the nature of loan to subsidiary and employees during the year as per details given below:

(₹ in million)

Particulars	Loans
Aggregate amount granted during the year:	
- Subsidiary	720.0
- Others (employees)	1.9
Balance outstanding as at balance sheet date:	
- Subsidiary	1,424.0
- Others (employees)	0.9

- (b) In our opinion, and according to the information and explanations given to us, the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal

- and payment of interest has been stipulated and principal amount is not due for repayment currently, however, the receipt of the interest is regular.
- (d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.
- (e) The Company has not granted any loan or advances in the nature of loans which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loan/advances in nature of loan that existed as at the beginning of the year.
- (f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Amount (₹ in mn)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.8	AY 2010-11	Commissioner of Income Tax (Appeals)
		4.2	AY 2011-12	
		2.7	AY 2016-17	
		29.3	AY 2017-18	
		46.4	AY 2018-19	
		60.7	AY 2020-21	
		29.4	AY 2022-23	
State and Central Sales Tax Act	Value added tax and Central sales tax	9.5	FY 2008-09	Sales Tax Tribunal, Ahmedabad
		0.9	FY 2015-16	JC Appeal, Vadodara
Central Goods and Service Tax Act, 2017	Goods and service tax	4.9	FY 2017-18	JC Appeal, Vadodara
		8.0	FY 2018-19	JC Appeal, Vadodara
		71.9	FY 2018-19 to FY 2024-25	Additional Commissioner, Salem
The Customs Act, 1962	Customs Duty	322.0	FY 2017-18 to FY 2022-23	CESTAT, Chennai
		11.9	FY 2018-19 to FY 2022-23	
The Finance Act, 1994	Service Tax	2.7	FY 2016-17 and FY 2017-18	CESTAT, Mumbai

Above amounts are net of amounts paid under protest for Income-tax aggregating to ₹43.7 million, Value added tax and Central sales tax aggregating to ₹5.9 million, Custom Duty aggregating to ₹13.1 million and for Service tax aggregating to ₹0.3 million.

- (viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

- (ix) According to the information and explanations given to us, we report that the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us, the Company has received whistle blower complaints during the year, which have been considered by us while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with

its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Companies.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm’s Registration No.:
001076N/N500013

Khushroo B. Panthaky
Partner

Place: Mumbai
Date: 24 February 2026

Membership No.: 042423
UDIN: 26042423VNUCFX6408

Annexure B

Independent Auditor’s Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)

1. In conjunction with our audit of the standalone financial statements of Schaeffler India Limited (‘the Company’) as at and for the year ended 31 December 2025, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (‘the Guidance Note’) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company’s business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 December 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm’s Registration No.:
001076N/N500013

Khushroo B. Panthaky
Partner
Place: Mumbai
Date: 24 February 2026
Membership No.: 042423
UDIN: 26042423VNUCFX6408

Standalone Balance Sheet

as at December 31, 2025

(₹ in million)			
	Notes	As at December 31, 2025	As at December 31, 2024
A) ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3.1	19,545.0	17,184.4
b) Right of use assets	3.2	818.3	855.3
c) Capital work-in-progress	3.3	3,344.6	4,491.1
d) Intangible assets	3.4	1.9	6.0
e) Financial assets			
(i) Investments in wholly-owned subsidiary	4	1,225.0	1,424.0
(ii) Loans	5 (a)	720.0	700.0
(iii) Security deposits	6	171.7	166.8
(iv) Other financial assets	6	0.3	5.3
f) Deferred tax assets (net)	7	481.2	405.0
g) Non-current tax assets (net)	8	606.1	670.0
h) Other non-current assets	9	1,059.3	974.8
Total non-current assets		27,973.4	26,882.7
2 Current assets			
a) Inventories	10	17,492.0	14,541.3
b) Financial assets			
(i) Loans	5 (b)	700.0	-
(ii) Trade receivables	11	16,231.3	12,738.2
(iii) Cash and cash equivalents	12	9,590.0	4,634.0
(iv) Bank balances other than (iii) above	13	8,818.4	8,860.9
(v) Other financial assets	14	503.1	560.7
c) Other current assets	15	1,266.7	763.4
Total current assets		54,601.5	42,098.5
TOTAL ASSETS		82,574.9	68,981.2
B) EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	16	312.6	312.6
b) Other equity	17	61,114.3	53,520.4
Total equity		61,426.9	53,833.0
Liabilities			
2 Non-current liabilities			
a) Financial liabilities			
(i) Lease liabilities	18 (a)	281.7	325.7
(ii) Other financial liabilities	19	141.7	140.1
b) Provisions	20	13.6	26.5
Total non-current liabilities		437.0	492.3
3 Current liabilities			
a) Financial liabilities			
(i) Lease liabilities	18 (b)	108.4	98.5
(ii) Trade payables	21		
a) Total outstanding dues of micro enterprises and small enterprises		1,202.9	776.2
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		15,418.7	10,411.1
(iii) Other financial liabilities	22	2,176.9	1,970.4
b) Other current liabilities	23	452.2	384.1
c) Provisions	24	977.0	776.2
d) Current tax liabilities (net)		374.9	239.4
Total current liabilities		20,711.0	14,655.9
Total liabilities		21,148.0	15,148.2
TOTAL EQUITY AND LIABILITIES		82,574.9	68,981.2
Material accounting policies	2		
Notes to the standalone financial statements	3 - 54		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the **Board of Directors**

Khushroo B. Panthaky
Partner
Membership No: 042423

E.V.Sumithasri
Chairperson
DIN: 07087197

Harsha Kadam
Managing Director
DIN: 07736005

Hardevi Vazirani
Director - Finance & CFO
DIN: 10212814

Place: Mumbai
Date: February 24, 2026

Place: Bengaluru
Date: February 24, 2026

Ashish Tiwari
VP - Legal & Company Secretary

Standalone Statement of Profit and Loss

for the year ended December 31, 2025

(₹ in million)			
	Notes	For the year ended December 31, 2025	For the year ended December 31, 2024
1 Income			
a) Revenue from operations	25	93,953.2	80,762.9
b) Other income	26	1,567.9	1,219.3
Total income		95,521.1	81,982.2
2 Expenses			
a) Cost of materials consumed	27	40,401.4	32,884.7
b) Purchases of stock-in-trade	28	17,055.8	18,674.4
c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(870.4)	(1,454.4)
d) Employee benefits expense	30	5,780.0	5,226.0
e) Finance costs	31	42.3	35.1
f) Depreciation and amortisation expense	32	3,287.6	2,687.6
g) Other expenses	33	13,704.2	10,754.1
Total expenses		79,400.9	68,807.5
3 Profit before tax (1 - 2)		16,120.2	13,174.7
4 Tax expense	34		
Current tax		4,224.1	3,312.5
Deferred tax (credit)/charge		(78.8)	58.1
Tax in respect of prior years		12.4	27.4
5 Profit for the year (3 - 4)		11,962.5	9,776.7
6 Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss:			
Profit/(Loss) on remeasurement of post employment benefits obligation		10.6	(52.9)
Income tax relating to items that will not be reclassified to profit and loss		(2.7)	13.3
Other comprehensive income/(loss) for the year (net of tax)		7.9	(39.6)
Total comprehensive income for the year (5 + 6)		11,970.4	9,737.1
7 Earnings per equity share [Nominal value of share ₹2 each]	35		
Basic (in ₹)		76.5	62.6
Diluted (in ₹)		76.5	62.6
Material accounting policies	2		
Notes to the standalone financial statements	3-54		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No: 001076N/N500013

For and on behalf of the **Board of Directors**

Khushroo B. Panthaky

Partner

Membership No: 042423

E.V.Sumithasri

Chairperson

DIN: 07087197

Harsha Kadam

Managing Director

DIN: 07736005

Hardevi Vazirani

Director - Finance & CFO

DIN: 10212814

Place: Mumbai

Date: February 24, 2026

Place: Bengaluru

Date: February 24, 2026

Ashish Tiwari

VP - Legal & Company Secretary

Standalone Statement of Cash Flows

for the year ended December 31, 2025

(₹ in million)			
	Notes	For the year ended December 31, 2025	For the year ended December 31, 2024
Cash flows from operating activities			
Profit before tax		16,120.2	13,174.7
Adjustments for:			
Depreciation and amortisation expense	32	3,287.6	2,687.6
Finance costs	31	42.3	35.1
Interest income	26	(1,074.0)	(928.7)
Loss/(profit) on sale of assets (net)		30.9	(2.5)
Provision for doubtful debts	33	164.0	0.6
Provision for impairment of long term investment	33	199.0	-
Unrealised exchange loss/(gain) (net)		19.5	(0.6)
Bad debts written off	33	0.3	0.1
		2,669.6	1,791.6
Operating cash flow before changes in working capital		18,789.8	14,966.3
Changes in working capital			
(Increase) in inventories		(3,300.0)	(1,206.3)
(Increase) in trade and other receivables		(4,349.2)	(2,185.5)
Increase in trade and other payables		5,774.0	590.9
Increase/(Decrease) in other liabilities and provisions		545.1	(180.7)
		(1,330.1)	(2,981.6)
Cash generated from operating activities		17,459.7	11,984.7
Income tax paid (net of refunds)		(4,034.5)	(3,141.5)
A Net cash generated from operating activities		13,425.2	8,843.2
Cash flows from investing activities			
Purchase of property, plant and equipment (including intangible, capital work-in-progress, capital advance and capital creditors)		(4,553.7)	(7,419.4)
Proceeds from sale of property, plant and equipment		12.2	14.0
Long term loan given to subsidiary	5	(720.0)	(530.5)
Net proceeds from bank deposits (with original maturity of more than 3 months and remaining maturity of less than 12 months)		47.5	6,298.3
Interest received		1,254.9	923.3
B Net cash (used) in investing activities		(3,959.1)	(714.3)
Cash flows from financing activities			
Finance costs paid	31	(12.7)	(9.1)
Principal payment of lease liabilities	48(3)	(91.3)	(86.8)
Interest on lease liabilities	48(3)	(29.6)	(26.0)
Dividends paid on equity shares	17	(4,376.5)	(4,063.9)
C Net cash used in financing activities		(4,510.1)	(4,185.8)
Net increase in cash and cash equivalents (A + B + C)		4,956.0	3,943.1
Cash and cash equivalents at the beginning of year (see note 2 below)	12	4,634.0	690.9
Cash and cash equivalents at the end of year (see note 2 below)	12	9,590.0	4,634.0

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flow
- Cash and cash equivalents comprise of:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Current accounts	550.0	769.1
Deposit accounts (with original maturity of three months or less)	9,040.0	3,864.9
	9,590.0	4,634.0

- Refer note 48.3 for disclosure on change in liabilities from financing activities

Material accounting policies

2

Notes to the standalone financial statements

3 - 54

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No: 001076N/N500013

For and on behalf of the **Board of Directors**

Khushroo B. Panthaky

Partner

Membership No: 042423

E.V.Sumithasri

Chairperson

DIN: 07087197

Harsha Kadam

Managing Director

DIN: 07736005

Hardevi Vazirani

Director - Finance & CFO

DIN: 10212814

Place: Mumbai

Date: February 24, 2026

Place: Bengaluru

Date: February 24, 2026

Ashish Tiwari

VP - Legal & Company Secretary

Standalone Statement of Changes in Equity

for the year ended December 31, 2025

(A) Equity Share Capital

(₹ in million)	
	Amount
As at January 1, 2024	312.6
Changes in equity share capital	-
As at December 31, 2024	312.6
Changes in equity share capital	-
As at December 31, 2025	312.6

(B) Other equity

(₹ in million)					
	Reserves and surplus				Total
	Capital reserve	Securities premium	General reserve	Retained earnings	
As at January 1, 2024	617.8	600.0	4,218.4	42,404.8	47,841.0
Profit for the year	-	-	-	9,776.7	9,776.7
Other Comprehensive Income for the year	-	-	-	(39.6)	(39.6)
Change of inventory valuation	-	-	-	6.2	6.2
Total Comprehensive Income for the year	-	-	-	9,743.3	9,743.3
Dividends	-	-	-	(4,063.9)	(4,063.9)
As at December 31, 2024	617.8	600.0	4,218.4	48,084.2	53,520.4
Profit for the year	-	-	-	11,962.5	11,962.5
Other Comprehensive Income for the year	-	-	-	7.9	7.9
Total Comprehensive Income for the year	-	-	-	11,970.4	11,970.4
Dividends	-	-	-	(4,376.5)	(4,376.5)
As at December 31, 2025	617.8	600.0	4,218.4	55,678.1	61,114.3

Nature and purpose of reserves:

- a) Capital reserve represents capital surplus. The reserve is not for any specific purpose but the utilisation will be in accordance with provision of Companies Act 2013.
- b) Securities premium is used to record premium received on issue of equity shares and it will be utilised in accordance with provisions of the Companies Act, 2013.
- c) General reserve is created out of profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividends and/or issue of fully paid-up shares.
- d) Retained earnings are the profits that the Company has earned till date, less any transfers to General reserve and payment of dividend. It is utilised in accordance with the provisions of the Companies Act, 2013.

Material accounting policies	2
Notes to the consolidated financial statement	3 - 54

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No: 001076N/N500013

For and on behalf of the **Board of Directors**

Khushroo B. Panthaky

Partner

Membership No: 042423

E.V.Sumithasri

Chairperson

DIN: 07087197

Harsha Kadam

Managing Director

DIN: 07736005

Hardevi Vazirani

Director - Finance & CFO

DIN: 10212814

Place: Mumbai

Date: February 24, 2026

Place: Bengaluru

Date: February 24, 2026

Ashish Tiwari

VP - Legal & Company Secretary

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

1. Corporate information

Schaeffler India Limited (‘the Company’) is a public limited company domiciled and incorporated in India and having its registered office at 15th Floor, ASTP (Amar Sadanand Tech Park), Baner, Pune - 411045. Maharashtra. The Company’s shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in India.

The Company is engaged in the development, manufacturing and distribution of high-precision roller and ball bearings, engine systems and transmission components, chassis applications, clutch systems and related machine building manufacturing activities. The Company’s manufacturing units are located in the State of Gujarat at Vadodara and Savli, in the State of Maharashtra at Talegaon (Pune) and in the State of Tamil Nadu at Hosur.

2. Basis of preparation and material accounting policies

2.1 Basis of preparation

- (i) These financial statements of Schaeffler India Limited (‘the Company’) have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the ‘Act’) and other relevant provisions of the Act.

The accounting policies adopted in the preparation of these financial statements are consistent for all the periods presented.

The financial statements are presented in Indian Rupees, which is the Company’s functional currency and all values are rounded off to the nearest million with one decimal place, except when otherwise indicated.

- (ii) The financial statements have been prepared on a historical cost convention basis, except for the following:
- certain financial assets and liabilities (including derivatives) that are measured at fair value;

defined benefit plans - net defined benefit (asset)/liabilities – Fair value of plan assets less present value of defined benefit obligation.

2.2 Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of the products and time taken between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its normal operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and non-current liabilities.

2.3 Material accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Company’s management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Actual results could differ from those estimates.

Estimates and judgments are reviewed on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstance. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Judgements:

a) Current and deferred taxes

Significant management judgment is required to determine the amount of current and deferred taxes that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

b) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

A disclosure by way of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are not recognised or disclosed in the financial statements.

c) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

d) Impairment of financial assets

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables or any other financial assets that result from transactions that are within the scope of “Ind AS 115 – Revenue from Contracts with Customers”. The Company follows the simplified approach for recognition of impairment loss allowance on receivables (net of advances). The application of the simplified approach does not require the Company to track changes in credit risk. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on trade receivables. Impairment loss allowance (or reversal) during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head ‘Other expenses (or other income)’ in the Statement of Profit and Loss.

e) Provision for litigations and contingencies:

The Company exercises judgement in determining if a particular matter is possible, probable or remote. The Company also exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities.

Estimates and assumptions

a) Impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset’s value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the assets.

b) Determination of the estimated useful lives

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

c) Provision for rebates and discounts

Provisions for rebates, discounts and other deductions are estimated and provided for in the year of sales and recorded as reduction of revenue. Provisions for such rebates and discounts are accrued and estimated based on historical average rate actually claimed over a period of time, current contract prices with customers.

d) Employee benefits

Management’s estimate of the Company’s obligation is determined based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the Company’s management considers the interest rates of Government bonds. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Refer Note 42 for details of the key assumptions used in determining the accounting of these plans.

e) Provision for inventory obsolesce

The inventories are valued at lower of cost and net realisable value after providing for cost of obsolescence wherever considered necessary. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

f) Warranties

The provision for warranty is determined based on evaluation made by the management of the past experience of the level of repairs and returns, which involves estimating the expected warranty claims on products sold.

2.4 Property, Plant and Equipment and intangible

Property, Plant and Equipment (PPE) are stated at cost of acquisition or construction (including directly attributable expenses thereto), net of impairment loss if any, less depreciation/amortisation. Cost includes financing costs of borrowed funds attributable to acquisition or construction of qualifying fixed assets, up to the date the assets are put to use.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Cost of assets not ready for intended use, as on the reporting date, is shown under capital work-in-progress. Advances given towards acquisition of property, plant and equipment outstanding as at reporting date are disclosed as “other non-current assets”.

Intangible assets are initially recognised at cost.

Intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset’s economic benefits are consumed.

Expenditure pertaining to research is expensed out as and when incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the statement of profit and loss.

Depreciation/amortisation

(i) Leasehold land is amortised over the period of lease using straight-line method (SLM) and included in depreciation and amortisation in statement of profit and loss statement.

Useful lives are reviewed by the Company’s management at each reporting date and revised, if appropriate.

(ii) The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management’s best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

Such classes of assets and their estimated useful lives are as under:

No.	Nature	Estimated Useful Life
1	Buildings	5-60 Years
2	Plant and equipments	3-25 Years
3	Furniture & fixtures	3-10 Years
4	Office equipments	3-5 Years
5	Vehicles	5 Years
6	Software	3 Years

(iii) Depreciation on additions/deletions to PPE during the year is provided on pro-rata basis with reference to the date of additions/deletions except low value of items costing ₹5,000 or less which are fully depreciated in the year when the assets are put to use.

(iv) Depreciation on subsequent expenditure on PPE arising on account of capital improvement or

other factors is provided for prospectively over the remaining useful life.

(v) Intangible assets (software) are recorded at its acquisition price and amortised on the straight-line method over a period of three years.

2.5 Leases

Effective 1 January 2020, the Company has adopted Ind AS 116 Leases which introduces single accounting model and requires a lessee to recognise assets and liabilities for all leases subject to recognition exemptions. The Company adopted Ind AS 116 Leases using modified retrospective approach.

Company as a lessee

The Company’s lease asset classes primarily consist of leases for land and buildings. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.6 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each reporting date to determine if there is any indication of impairment based on internal/external factors. Assessment of indication of impairment of an asset is made at the year end. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset’s net selling price and value in use. In assessing value in use, the Company measures its ‘value in use’ on the basis of estimated discounted cash flows of projections based on current prices. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset earlier.

2.7 Inventories

Inventories comprise of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials are valued at the lower of cost and net realisable value. Cost is ascertained on a moving weighted average basis, except for goods in transit which is ascertained on a specific identification basis.

Work-in-progress, finished goods and traded goods are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. In case of work-in-progress and manufactured finished goods, cost includes material, labour and production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value of work-in-progress and finished goods is determined with reference to the estimated selling price less estimated cost of completion and estimated costs necessary to make the sale of related finished goods as applicable.

Stores, spares and tools other than obsolete and slow-moving items are carried at cost.

2.8 Foreign currency transactions

Initial recognition

Foreign currency transactions are translated in the functional currency, by applying to the foreign currency amount, the exchange rate between functional currency and foreign currency prevailing at the date of transaction.

Conversion

Foreign currency monetary items as at reporting date are translated using the closing exchange rate on that date.

Exchange differences

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss in the year in which they arise, except exchange differences arising from the translation of qualifying cash flow hedge to the extent that the hedges are effective, which are recognised in Other Comprehensive Income (OCI).

2.9 Revenue recognition

Revenue from sale of goods is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Company recognised revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred, which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

In determining the transaction price, the Company considers below, if any:

Variable consideration

This includes discounts, incentives, volume rebates, etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

Contract balances

Trade receivables: A receivable represents the Company’s right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract assets: Contract assets recognised in accordance with Ind AS 115, effective from 1 January 2021, shall be amortise on systematic basis that is in consistence with the transfer to customer with goods or services to which assets relates.

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

Significant payment terms

Generally, the Company provides credit period ranging from 60 to 75 days.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

2.10 Employee benefits

a) Short term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service and comprises part of compensated absences paid on annual basis.

Provision for short-term employee benefits comprise of compensated absences. These are measured on the basis of year end actuarial valuation in line with the Company’s rules for compensated absences. Remeasurement gains or losses are recognised in statement of profit and loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

b) Post-employment benefits

Defined benefit plans

All employees are covered under Employees’ Group Gratuity Scheme, which is a defined benefit plan. The Company contributes to a fund maintained with Life Insurance Company (LIC) on the basis of the year end liability determined based on actuarial valuation using the Projected Unit Cost

Method. Remeasurements of the net defined benefit liability, which comprise actuarial gains/losses, return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognised in Other Comprehensive Income. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

Defined contribution plans

All other employees are covered under contributory provident fund benefit of specific percentage contribution of basic salary. Certain employees are also covered by a Company managed superannuation fund. Both are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year, when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective funds.

2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets not recorded at fair value through profit and loss) are added to the fair value of financial assets. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price as disclosed under Revenue recognition policy.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into below categories:

- Financial assets at amortised cost;
- Financial assets including derivatives at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

(i) **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held within a business where the objective is to hold these assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables, loans and other financial assets.

(ii) **Financial assets including derivatives at fair value through profit or loss (FVTPL)**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

(iii) **Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are measured at fair value through Other Comprehensive Income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding. Derivative instruments included in FVTOCI category are measured initially as well as at each reporting date at fair value. Movement in fair value is recognised in OCI.

Derecognition

A financial asset is derecognised when the right to receive cash flows from the asset has expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and the Company has transferred substantially all risks and rewards of the asset or has transferred control of the asset to a third party. On derecognition of a financial asset in its entirety, the differences between the carrying amounts at the date of derecognition and the consideration received is recognised in the Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as measured at amortised cost or financial liabilities at fair value through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading or is a derivative or it is designated as such on initial recognition. The Company’s financial liabilities include trade payables and other payables.

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Subsequent measurement

Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Other financial liabilities such as deposits are measured at amortised cost using Effective Interest Rate (EIR) method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative instruments

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable and forecast transactions. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in cash flow hedge reserve under OCI, net of taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in cash flow hedge reserve are reclassified to Surplus (Profit and loss balance) in the same period during which the forecasted transaction occurs.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in cash flow hedge reserve is immediately transferred to the Statement of Profit and Loss for the period.

2.12 Income and deferred taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Indian Income Tax Act, 1961. Deferred tax is provided using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in Equity.

At each reporting date, the Company reassesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realised.

2.13 Investment in subsidiaries

Investment in subsidiaries, associates and joint venture is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of investments in Subsidiaries, Joint ventures and Associates, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

2.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit or loss for the year attributable to the equity shareholders, by the weighted average number of equity and equivalent diluted equity shares outstanding during the year except where the results would be antidilutive.

2.15 Cash and cash equivalents

Cash and cash equivalents include cheques in hand, cash at bank and deposits with banks having original maturity of not more than three months.

2.16 Fair value measurement

The Company’s accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company has an established control framework with respect to the measurement of fair values. The Company’s management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Company’s management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result from general approximation

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

of value and the same may differ from the actual realised value. Further information about the assumptions made in measuring fair value is included in the Note 2.11 on financial instruments.

2.17 Segment Reporting - Identification of Segments:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company’s Chief Operating Decision Maker (“CODM”) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

2.18 Business combinations

As part of its transition to Ind AS, the Company elected to apply “Ind AS 103 - Business Combinations”, to only those business combinations that occurred on or after the date of transition to Ind AS i.e. January 1, 2016. Business combinations arising from transfers of interests in entities that are under the common control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved as they appear in the financial statements of

the Company in the same form in which they appeared in the financial statements of the acquired entities. The difference, if any, between the consideration and the amount of share capital of the acquired entities is treated as capital reserve. Transaction costs are expensed as they are incurred in respective periods.

2.19 Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended December 31, 2025, MCA has notified amendments as follows:

Lack of exchangeability - Amendments to Ind AS 21

MCA via notification dated 7 May 2025, announced amendments to Ind AS 21 “The Effects of Changes in Foreign Exchange Rates” to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. The amendments are not expected to have a material impact on the Company’s Standalone Financial Statements.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

3.1 Property plant and equipment

	(₹ in million)						
	Freehold land ¹	Buildings	Plant and equipments	Furniture & fixtures	Office equipments	Vehicles	Total
Gross carrying amount							
As at January 1, 2024	40.7	3,855.9	18,680.6	1,063.7	467.1	5.3	24,113.3
Add: Additions	-	233.0	7,280.3	196.0	219.3	9.0	7,937.6
Less: Disposals	-	-	75.7	30.3	93.7	-	199.7
As at December 31, 2024	40.7	4,088.9	25,885.2	1,229.4	592.7	14.3	31,851.2
Add: Additions	-	1,533.5	3,787.5	226.2	32.5	-	5,579.7
Less: Disposals	-	-	119.0	-	0.6	-	119.6
As at December 31, 2025	40.7	5,622.4	29,553.7	1,455.6	624.6	14.3	37,311.3
Accumulated depreciation							
As at January 1, 2024	-	629.8	10,828.8	546.4	263.8	1.6	12,270.4
Add: Depreciation for the year	-	162.4	2,017.1	274.4	127.5	3.2	2,584.6
Less: Deletions	-	-	71.1	27.7	89.4	-	188.2
As at December 31, 2024	-	792.2	12,774.8	793.1	301.9	4.8	14,666.8
Add: Depreciation for the year	-	191.3	2,567.8	276.8	136.7	3.4	3,176.0
Less: Deletions	-	-	75.9	-	0.6	-	76.5
As at December 31, 2025	-	983.5	15,266.7	1,069.9	438.0	8.2	17,766.3
Net Block							
As at December 31, 2024	40.7	3,296.7	13,110.4	436.3	290.8	9.5	17,184.4
As at December 31, 2025	40.7	4,638.9	14,287.0	385.7	186.6	6.1	19,545.0

Note:

Buildings include ₹250, being cost of five ordinary shares of ₹50 each of Nariman Bhavan Premises Co-operative Society Limited and ₹500 being cost of ten ordinary shares of ₹50 each of Parekh Market Premises Co-Operative Society Limited, which entitle the ownership.

¹ The title deeds of immovable properties included in property plant and equipment are held in the name of the Company, except title deeds of immovable properties having gross carrying amount aggregating ₹21.3 million (2024: ₹21.3 million) and net carrying amount aggregating ₹21.3 million (2024: ₹21.3 million), is in the name of LuK India Private Limited since October 8, 2018, which have been transferred to the Company pursuant to the Schemes of Amalgamation and their title transfer proceedings are under progress.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

3.2 Right-of-use of assets¹

(₹ in million)				
	Leasehold land	Buildings	Vehicle	Total
Cost				
As at January 1, 2024	540.6	753.7	14.9	1,309.2
Add: Additions for the year	15.5	-	-	15.5
Less: Disposals	15.5	-	-	15.5
As at December 31, 2024	540.6	753.7	14.9	1,309.2
Less: Modification of lease term	-	57.2	-	57.2
Add: Additions for the year	-	127.5	-	127.5
Less: Disposals	-	-	-	-
As at December 31, 2025	540.6	824.0	14.9	1,379.5
Accumulated depreciation				
As at January 1, 2024	9.2	341.5	6.9	357.6
Add: Depreciation for the year	4.4	92.2	1.9	98.5
Less: Deletions	2.2	-	-	2.2
As at December 31, 2024	11.4	433.7	8.8	453.9
Add: Depreciation for the year	5.8	99.6	1.9	107.3
Less: Deletions	-	-	-	-
As at December 31, 2025	17.2	533.3	10.7	561.2
Net Block				
As at December 31, 2024	529.2	320.0	6.1	855.3
As at December 31, 2025	523.4	290.7	4.2	818.3

¹ Lease contracts entered by the Group majorly pertains to land and building taken on lease to conduct business activity in ordinary course of business (refer Note 48).

3.3 Capital work-in-progress

(₹ in million)	
	Total
As at January 1, 2024	4,907.7
Additions	7,523.2
Deductions	-
Assets capitalised during the year	7,939.8
As at December 31, 2024	4,491.1
Additions	4,433.4
Deductions	-
Assets capitalised during the year	5,579.9
As at December 31, 2025	3,344.6

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

Capital work-in-progress ageing schedule

(₹ in million)					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,800.1	794.4	672.6	77.5	3,344.6
Projects temporarily suspended	-	-	-	-	-
Total	1,800.1	794.4	672.6	77.5	3,344.6

There is no capital work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

Capital work-in-progress ageing schedule

(₹ in million)					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,506.0	1,741.8	204.4	38.9	4,491.1
Projects temporarily suspended	-	-	-	-	-
Total	2,506.0	1,741.8	204.4	38.9	4,491.1

There is no capital work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

3.4 Intangible assets

(₹ in million)		
	Software	Total
Cost		
As at January 1, 2024	20.7	20.7
Add: Additions	2.2	2.2
Less: Disposals	0.1	0.1
As at December 31, 2024	22.8	22.8
Add: Additions	0.2	0.2
Less: Disposals	-	-
As at December 31, 2025	23.0	23.0
Accumulated amortisation		
As at January 1, 2024	12.4	12.4
Add: Amortisation for the year	4.5	4.5
Less: Deletions	0.1	0.1
As at December 31, 2024	16.8	16.8
Add: Amortisation for the year	4.3	4.3
Less: Deletions	-	-
As at December 31, 2025	21.1	21.1
Net Block		
As at December 31, 2024	6.0	6.0
As at December 31,2025	1.9	1.9

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

4. Investments (non-current)

(₹ in million)			
	No. of shares (face value of ₹10 each fully paid-up unless otherwise specified)	As at December 31, 2025	As at December 31, 2024
(i) Investments (at cost)			
Equity investments in wholly-owned subsidiary, unquoted KRSV Innovative Auto Solutions Private Limited, Bengaluru	1,204,758	1,424.0	1,424.0
Less: Provision for impairment of long term investment		199.0	-
Total		1,225.0	1,424.0

5. a) Loans (non-current)

(₹ in million)		
	As at December 31, 2025	As at December 31, 2024
(ii) Loans		
Loans to subsidiary		
Considered good - Unsecured	720.0	700.0
Credit impaired	-	-
Less: Allowance for credit impaired balances	-	-
Total	720.0	700.0

Non-current loans to related parties represents loan given to KRSV Innovative Auto Solutions Private Limited, Bengaluru (a subsidiary) ₹720.0 million (December 31, 2024: ₹700.0 million) for working capital requirement, out of which ₹ Nil (December 31, 2024: ₹ Nil) is impaired.

b) Loans (current)

(₹ in million)		
	As at December 31, 2025	As at December 31, 2024
(ii) Loans		
Loans to subsidiary		
Considered good - Unsecured	700.0	-
Credit impaired	-	-
Less: Allowance for credit impaired balances	-	-
Total	700.0	-

Current loans to related parties represents loan given to KRSV Innovative Auto Solutions Private Limited, Bengaluru (a subsidiary) ₹700.0 million (December 31, 2024: ₹ Nil) for working capital requirement, out of which ₹ Nil (December 31, 2024: ₹ Nil) is impaired.

Name of the loanee	Rate of Interest	Secured/unsecured	As at December 31, 2025	As at December 31, 2024
KRSV Innovative Auto Solutions Private Limited, Bengaluru	7.0% - 8.3%	Unsecured	1,420.0	700.0

The current portion of the loan is repayable in full on August 31, 2026 and the non-current portion is repayable in full on December 31, 2030.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

6. Financial assets (non-current)

(₹ in million)		
	As at December 31, 2025	As at December 31, 2024
(iii) Security deposits	171.7	166.8
Total	171.7	166.8
Breakup of security deposit		
Considered goods secured	-	-
Considered goods unsecured	171.7	166.8
Which have significant increase credit risk	-	-
Credit impaired	-	-
(iv) Other		
Bank deposits with remaining maturity of more than 12 months	0.3	5.3
Total	0.3	5.3
Total (iii)+(iv)	172.0	172.1

7. Deferred tax assets (net)

(₹ in million)		
	As at December 31, 2025	As at December 31, 2024
Deferred tax liabilities		
Amortisation of contract assets	80.7	70.4
Exchange loss	16.9	5.6
(A)	97.6	76.0
Deferred tax assets		
Excess of depreciation/amortisation on property, plant and equipment provided in accounts over depreciation/amortisation under tax laws	232.0	240.5
Provision for employee benefits	232.3	188.0
Provision for expenses and others	42.0	21.9
Allowance for expected credit loss	46.4	5.1
Leases	26.1	25.5
(B)	578.8	481.0
Net deferred tax assets (B - A)	481.2	405.0

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

Movement in deferred tax assets/(liabilities) net

(₹ in million)

	Depreciation	Provision for employee benefits	Provision for expenses and others	Allowance for expected credit loss	Leases	Amortisation of contract assets	Exchange gain/(loss) on cash flow hedges	Total
As at January 1, 2024	268.4	175.2	25.3	5.0	23.1	(45.0)	(0.2)	451.8
(Charged)/credited to:								
Statement of Profit and Loss	(27.9)	(0.5)	(3.4)	0.1	2.4	(25.4)	(5.4)	(60.1)
Other Comprehensive Income	-	13.3	-	-	-	-	-	13.3
As at December 31, 2024	240.5	188.0	21.9	5.1	25.5	(70.4)	(5.6)	405.0
(Charged)/credited to:								
Statement of Profit and Loss	(8.5)	47.0	20.1	41.3	0.6	(10.3)	(11.3)	78.8
Other Comprehensive Income	-	(2.7)	-	-	-	-	-	(2.7)
As at December 31, 2025	232.0	232.3	42.0	46.4	26.1	(80.7)	(16.9)	481.2

8. Non-current income-tax assets (net)

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
Advance tax recoverable (net of provisions for tax ₹2,989.8 mn, 2024: ₹2,351.2 mn)	606.1	670.0
Total	606.1	670.0

9. Other non-current assets

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
VAT, excise and others receivable (paid under protest)	61.2	46.1
Stamp duty (paid under protest, refer note no. 36 d)	250.0	250.0
Other balance with government authorities	75.7	76.2
Capital advance, considered good	344.5	315.3
Contract assets	327.9	287.2
Total	1,059.3	974.8

10. Inventories

(Valued at the lower of cost and net realisable value)

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
Raw materials & components (including goods-in-transit ₹3,259.4 mn; 2024: ₹1,819.4 mn)	5,494.5	3,645.0
Work-in-progress	974.7	801.3
Finished goods	4,227.4	3,341.4
Stock-in-trade (including goods-in-transit ₹2,827.4 mn; 2024: ₹2,662.0 mn)	5,793.2	5,982.2
Stores and spares (including goods-in-transit ₹2.9 mn; 2024: ₹3.3 mn)	1,002.2	771.4
Total	17,492.0	14,541.3

The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving and non-moving inventory. As at December 31, 2025, provision for write-down of inventories to net realisable value is ₹1,081.0 million (2024: ₹731.7 million).

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

11. Trade receivables

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
Other than related parties ¹	13,217.8	10,590.9
From related parties (refer Note 38)	3,198.0	2,167.9
Less: Allowance for expected credit loss	(184.5)	(20.6)
	16,231.3	12,738.2
Of which;		
secured, considered good	18.8	18.6
unsecured, considered good	16,391.9	12,734.4
which have significant increase in credit risk	5.1	5.8
	16,415.8	12,758.8
Less: Allowance for expected credit loss		
secured, considered good	-	-
unsecured, considered good	(179.4)	(14.8)
which have significant increase in credit risk	(5.1)	(5.8)
	(184.5)	(20.6)
Total	16,231.3	12,738.2

¹Includes receivable of ₹42.9 million (2024; ₹25.5 million), from a private limited companies in which an Independent Director is a Director
The Company's exposure to currency risk and credit risk related to trade receivables are disclosed in Note 40 A(i) and C.

Trade receivables ageing

As at December 31, 2025

(₹ in million)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		◀ 6 months	6 months– 1 year	1-2 years	2-3 years	› 3 years	
Undisputed Trade Receivables – considered good	16,093.9	148.7	3.0	0.6	164.5	-	16,410.7
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	5.1	-	-	-	-	5.1
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross receivables	16,093.9	153.8	3.0	0.6	164.5	-	16,415.8
Less: Allowance for credit losses							(184.5)
Net receivables							16,231.3

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

As at December 31, 2024 (₹ in million)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months–1 year	1-2 years	2-3 years	> 3 years	
Undisputed Trade Receivables – considered good	12,574.2	10.4	1.4	163.1	1.4	2.5	12,753.0
Undisputed Trade Receivables – which have significant increase in credit risk ¹	-	-	0.6	0.1	0.0	-	0.7
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	5.1	-	-	5.1
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross receivables	12,574.2	10.4	2.0	168.3	1.4	2.5	12,758.8
Less: Allowance for credit losses							(20.6)
Net receivables							12,738.2

¹ Values less than ₹1 million.

12. Cash and cash equivalents

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Balances with banks:		
on current accounts	550.0	769.1
on deposit accounts (with original maturity of 3 months or less)	9,040.0	3,864.9
Total	9,590.0	4,634.0

The Company has been sanctioned an unsecured working capital limit of ₹1,550 million by banks.

13. Bank balances other than Cash and cash equivalents

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Bank deposits with original maturity of more than 3 months and remaining maturity of less than 12 months ¹	8,803.0	8,846.6
Restricted deposits (unclaimed dividend)	15.4	14.3
Total	8,818.4	8,860.9

¹ Includes deposits of ₹156.9 million (2024: ₹156.9 million) under lien.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

14. Other current financial assets

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
(i) Security deposits	29.8	29.3
Total	29.8	29.3
Breakup of security deposit		
Considered goods secured	-	-
Considered goods unsecured	29.8	29.3
Which have significant increase credit risk	-	-
Credit impaired	-	-
(ii) Other		
Other receivables - related parties ¹ (refer Note 38)	262.5	184.7
Interest accrued - fixed deposits	134.4	319.4
Interest accrued - others	9.0	4.9
Derivative forward exchange contracts	67.4	22.4
Total	473.3	531.4
Total (i)+(ii)	503.1	560.7

¹ Other receivables primarily represent inter-company cross charges recoverable from group entities, These charges arise from the allocation of shared services, common administrative costs, operational support functions, etc.

15. Other current assets

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Unsecured and considered good		
Balance with Government authorities	868.4	420.5
Advances for supply of goods and services	311.2	277.3
Export incentives receivable	77.9	48.0
Advances to employees	5.7	4.0
Prepaid expenses	3.5	13.6
Total	1,266.7	763.4

16. Equity share capital

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Authorised capital		
627,500,000 equity shares of ₹2 each (2024: 627,500,000 equity shares of ₹2 each)	1,255.0	1,255.0
Total	1,255.0	1,255.0
Issued, subscribed and paid-up		
156,303,670 fully paid-up equity shares of ₹2 each (2024: 156,303,670 fully paid-up equity shares of ₹2 each)	312.6	312.6
Total -	312.6	312.6

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

Details of Promoters shares holding

As at December 31, 2025 (₹ in million)

S. No.	Promoter name	Number of shares held	% of total shares	% change during the year
1	Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	27.28%	-
2	Schaeffler Bühl Verwaltungs GmbH	32,142,865	20.56%	-
3	Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	15.01%	-
4	Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	11.27%	-

As at December 31, 2024 (₹ in million)

S. No.	Promoter name	Number of shares held	% of total shares	% change during the year
1	Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	27.28%	-
2	Schaeffler Bühl Verwaltungs GmbH	32,142,865	20.56%	-
3	Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	15.01%	-
4	Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	11.27%	-

a) Reconciliation of shares outstanding at the beginning and at the end of the year:

(₹ in million)

	As at December 31, 2025		As at December 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Shares outstanding at the beginning of the year	156,303,670	312.6	156,303,670	312.6
Shares outstanding at the end of the year	156,303,670	312.6	156,303,670	312.6

b) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares having par value of ₹2 per share. Accordingly, all equity shares rank equally with regard to one vote per share held. The dividends proposed by the Board of directors is subject to the approval of shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive assets of the Company, after distribution of all preferential amounts, in the proportion to their shareholding.

c) Shares held by ultimate holding company and/or their fellow subsidiaries:

(₹ in million)

Name of shareholders	As at December 31, 2025		As at December 31, 2024	
	No. of Shares held (of ₹2 each)	Amount	No. of Shares held (of ₹2 each)	Amount
Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	85.3	42,645,915	85.3
Schaeffler Bühl Verwaltungs GmbH	32,142,865	64.3	32,142,865	64.3
Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	46.9	23,462,255	46.9
Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	35.2	17,612,200	35.2
Total	115,863,235	231.7	115,863,235	231.7

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

d) Particulars of shareholders holding more than 5% shares of a class of shares:

(₹ in million)

Name of shareholders	As at December 31, 2025		As at December 31, 2024	
	No. of Shares held	% of shareholding	No. of Shares held	% of shareholding
Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	27.28%	42,645,915	27.28%
Schaeffler Bühl Verwaltungs GmbH	32,142,865	20.56%	32,142,865	20.56%
Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	15.01%	23,462,255	15.01%
Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	11.27%	17,612,200	11.27%

e) The Company in aggregate has not issued, any equity shares allotted as fully paid up pursuant to contract without consideration received in cash, bonus shares issued and shares bought back during the period of 5 years immediately preceding the financial year.

17. Other equity

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
Capital reserve	617.8	617.8
(A)	617.8	617.8
Securities premium	600.0	600.0
(B)	600.0	600.0
General reserve	4,218.4	4,218.4
(C)	4,218.4	4,218.4
Retained earnings		
At the commencement of the year	48,084.2	42,404.8
Add: Net profit for the year	11,962.5	9,776.7
Remeasurements of defined benefit liability/asset (net of tax) (FVTOCI)	7.9	(39.6)
Add: Change of inventory valuation	-	6.2
Less: Appropriations		
Dividends paid	4,376.5	4,063.9
(D)	55,678.1	48,084.2
Total (A+B+C+D)	61,114.3	53,520.4

The following dividends were declared and paid by the Company during the year:

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
₹28 per equity share of face value of ₹2/- each (2024: ₹26 per equity share of face value of ₹2/- each)	4,376.5	4,063.9
	4,376.5	4,063.9

After the reporting dates, the following dividends were proposed by the Board of Directors subject to the approval at the ensuing annual general meeting and hence, dividends have not been disclosed as liabilities.

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
Dividend of ₹35 per equity share of face value of ₹2/- each (2024: ₹28 per equity share of face value ₹2/- each)	5,470.6	4,376.5

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

18. a) Lease liabilities (non-current)

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Lease liabilities (refer Note 48)	281.7	325.7
Total	281.7	325.7

b) Lease liabilities (current)

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Lease liabilities (refer Note 48)	108.4	98.5
Total	108.4	98.5

19. Other financial liabilities (non-current)

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Employee liabilities	120.0	118.6
Security deposits from customers/suppliers	21.7	21.5
Total	141.7	140.1

20. Provisions (non-current)

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Provision for other statutory matters (being litigated) ¹	12.0	12.0
Provision for warranties	1.6	14.5
Total	13.6	26.5

¹ Provisions are made for ongoing litigation on tax and regulatory matters, the liabilities for which will be ascertained on conclusion of the respective assessments.

21. Trade payables

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Total outstanding dues of micro and small enterprises	1,202.9	776.2
Total outstanding dues of creditors other than micro and small enterprises		
Other than related parties	6,890.0	4,408.3
Related parties (refer note 38)	8,528.7	6,002.8
Total	16,621.6	11,187.3

Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

Particulars	As at December 31, 2025	As at December 31, 2024
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year, if any:		
Principal	1,202.9	776.2
Interest ¹	0.0	0.0
b) the amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above information has been compiled by the Company on the basis of information made available by vendors during the year ended December 31, 2025 and year ended December 31, 2024.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 40.

¹ Values less than ₹1 million.

Trade Payables Ageing

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	< 1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed dues of micro enterprises and small enterprises	-	1,154.9	23.5	13.8	10.7	1,202.9
Undisputed dues of creditors other than micro enterprises and small enterprises	806.8	14,529.5	16.5	10.5	55.4	15,418.7
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	806.8	15,684.4	40.0	24.3	66.1	16,621.6

As at December 31, 2024

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	< 1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed dues of micro enterprises and small enterprises	-	754.4	11.8	2.6	7.4	776.2
Undisputed dues of creditors other than micro enterprises and small enterprises	428.3	9,917.1	15.7	14.2	35.8	10,411.1
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	428.3	10,671.5	27.5	16.8	43.2	11,187.3

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

22. Other current financial liabilities

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Employee liabilities	836.8	562.6
Creditors for capital goods		
Other than related parties	342.0	502.4
Related parties (refer note 38)	847.0	764.6
Accrued expense	124.5	117.9
Unclaimed dividends ¹	15.4	14.3
Other payables	11.2	8.6
Total	2,176.9	1,970.4

¹ There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

23. Other current liabilities

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Advances from customers	100.8	71.9
TDS payable	155.2	108.4
GST Payable	172.6	181.7
Other statutory dues	23.6	22.1
Total	452.2	384.1

24. Provisions (Current)

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Provision for employee benefits		
Compensated absences	637.2	621.6
Gratuity (refer Note 42)	283.0	122.4
Other provisions		
Provision for warranties ¹	56.8	32.2
Total	977.0	776.2

¹ Warranty provision is estimated for expected warranty claims in respect of eligible products sold during the year by the Company, which usually carry a warranty period ranging from 12 to 24 months from the date of sale. The provision is determined based on the historical data. The timing and amount of cashflows will determined on receipt of claims.

Additional disclosures relating to certain provisions (as per Ind AS 37):

	(₹ in million)	
Warranties	As at December 31, 2025	As at December 31, 2024
At the commencement of the year	46.7	63.4
Provision made during the year	53.2	69.3
Provision utilised during the year	(41.5)	(86.0)
At the end of the year	58.4	46.7

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

25. Revenue from operations

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Revenue from contract with customer		
Sale of products		
Manufactured goods	73,154.7	60,178.7
Traded goods	19,343.4	19,255.8
	92,498.1	79,434.5
Sale of services	103.9	152.5
Other operating revenues		
Export incentives	330.5	286.3
Scrap sales	1,020.7	881.0
Other	-	8.6
Total	93,953.2	80,762.9

The management determines the information reported under Note 44 and 47 reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue and geographical segment under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

26. Other income

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest income from financial assets at amortised cost		
On fixed deposits	937.9	857.8
On loan and others	136.1	70.9
Other income ¹	451.0	267.4
Gain on account of foreign exchange fluctuations (net)	42.9	20.7
Profit on sale/retirement of assets (net)	-	2.5
Total	1,567.9	1,219.3

¹ Other income includes interest received on income tax refund ₹39.4 million (2024 ₹3.1 million). Income below 1% of revenue from operation is aggregated in accordance with Schedule III to the Companies Act, 2013.

27. Cost of materials consumed¹

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Inventory of raw materials at the beginning of the year	3,645.0	3,766.8
Purchases	42,250.9	32,762.9
Inventory of raw materials at the end of the year	5,494.5	3,645.0
Total	40,401.4	32,884.7

¹ The consumption amounts shown above have been ascertained on the basis of raw materials consumed and after considering excess/shortages ascertained on physical verification.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

28. Purchases of stock-in-trade

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Purchase of traded goods	17,055.8	18,674.4
Total	17,055.8	18,674.4

29. Changes in inventories of finished goods, stock in trade and work-in progress¹

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
(Increase)/Decrease in inventory of finished goods		
Opening inventory	3,341.4	3,387.3
Less: Closing inventory	4,227.4	3,341.4
(A)	(886.0)	45.9
Decrease/(Increase) in inventory of traded goods		
Opening inventory	5,982.2	4,670.5
Less: Closing inventory	5,793.2	5,982.2
(B)	189.0	(1,311.7)
(Increase) in inventory of work-in-progress		
Opening inventory	801.3	612.7
Less: Closing inventory	974.7	801.3
(C)	(173.4)	(188.6)
Total (A + B + C)	(870.4)	(1,454.4)

¹ Closing inventory is net off scrapped/reworked items and shortages/excesses.

30. Employee benefits expense

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Salaries, wages and incentives	4,761.3	4,425.5
Contributions to: (refer Note 42)		
- Provident and other funds	255.2	237.0
- Gratuity fund	295.6	72.5
- Superannuation fund	33.2	33.3
Compensated absences	73.0	135.2
Staff welfare expenses	361.7	322.5
Total	5,780.0	5,226.0

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

31. Finance costs

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest and finance charges on lease liability	29.6	26.0
Bank and other financial charges	12.7	9.1
Total	42.3	35.1

32. Depreciation and amortisation expense

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Depreciation on property, plant and equipment (refer Note 3.1)	3,176.0	2,584.6
Depreciation of right of use of assets (refer Note 3.2)	107.3	98.5
Amortisation of intangible assets (refer Note 3.4)	4.3	4.5
Total	3,287.6	2,687.6

33. Other expenses

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Consumption of stores and spare parts	3,807.6	2,960.3
Power and fuel	1,212.9	1,065.6
Freight, clearing and forwarding	934.3	811.3
Rent	20.2	9.5
Repairs and maintenance		
- Building	20.8	20.7
- Machinery	58.3	44.6
- Others	228.0	186.9
Insurance	119.7	115.9
Rates and taxes	62.0	119.2
Travelling expenses	293.9	265.8
Legal and professional fees	354.5	98.9
Payments to auditors (refer note below)	11.6	9.2
Fees for use of technology (refer Note 38)	1,898.5	1,560.1
Software license fees & other IT related cost	800.7	671.2
Advertising and sales promotion	205.4	129.5
Bank charges	1.6	4.6
Telephone and other communication expenses	29.4	30.5

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

(₹ in million)		
	For the year ended December 31, 2025	For the year ended December 31, 2024
Printing and stationery	33.5	22.3
Provision for doubtful debts	164.0	0.6
Provision for impairment of long term investment	199.0	-
Bad debts written off	0.3	0.1
Loss on sale/retirement of assets (net)	30.9	-
Warranty costs	53.2	69.3
Outside services	2,960.1	2,368.1
Corporate Social Responsibility expenditure (refer note below)	247.2	215.6
Miscellaneous expenses	35.4	38.8
Less: Capitalised for own consumption	(78.8)	(64.5)
Total	13,704.2	10,754.1

(₹ in million)		
Note: Payments to auditors	For the year ended December 31, 2025	For the year ended December 31, 2024
As auditors		
- Statutory audit	3.4	3.1
- Limited review	6.5	5.2
- Out of pocket expense ¹	0.2	0.0
- Other services	1.5	0.9
Total	11.6	9.2

¹ Values less than ₹1 million.

(₹ in million)		
Note: Corporate Social Responsibility expenditure	For the year ended December 31, 2025	For the year ended December 31, 2024
Details of CSR expenditure		
- Gross amount required to be spent by the Company during the year	247.2	215.6
- Amount spent during the year ending on other than construction/acquisition of any asset	247.2	215.6
- Shortall at the end of the year ¹	-	-
- Total of previous year shortfall	-	-
Reason for shortfall	-	-

¹ There is no amount unspent for the year 2025 which requires to be deposited in corporate social responsibility bank account (2024: ₹ nil).

Nature of CSR activities

The Company has incurred CSR expenses through our overarching programme HOPE, which emphasises four core areas: Healthcare, Occupational skills for better employability, the Preservation of heritage and environment, and the Empowerment of society which are specified in Schedule VII of the Companies Act, 2013.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

34. Income tax expense

(₹ in million)		
	For the year ended December 31, 2025	For the year ended December 31, 2024
Tax expense		
(a) Current tax		
Current tax on profit during the year	4,224.1	3,312.5
Tax in respect of prior years	12.4	27.4
Total current tax expense	4,236.5	3,339.9
(b) Deferred tax		
Deferred tax (credit)/expense attributable to origination and reversal of temporary differences	(78.8)	58.1
Total tax expense	4,157.7	3,398.0
Reconciliation of tax expenses and the accounting profit multiplied by tax rate		
Profit before tax	16,120.2	13,174.7
Current tax at the Indian tax rate of 25.17%	4,057.5	3,316.1
Tax adjustments of earlier years	12.4	27.4
Effect of non deductible expenses	87.8	54.5
Tax expense recognised in Statement of Profit and Loss	4,157.7	3,398.0
Tax impact recognised in Other Comprehensive Income (OCI)		
Remeasurement of defined benefits obligation	(2.7)	13.3
Total	(2.7)	13.3

35. Earnings Per Share (EPS)

(₹ in million)		
	For the year ended December 31, 2025	For the year ended December 31, 2024
a) Amount used as the numerator		
Profit after tax attributable to equity shareholders (₹ in mn)	11,962.5	9,776.7
b) Weighted average number of equity shares used as the denominator (Nos.)	156,303,670	156,303,670
c) Nominal value of share (in ₹)	2.0	2.0
d) Earnings per share (Basic and Diluted) (in ₹)	76.5	62.6

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

36. Contingent liabilities not provided for in respect of

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Claims against the company not acknowledged as debts:		
a) Employees and ex-employees related matters		
(i) (i)Matters pending in labour court/civil court/High Court for reinstatement of service/recovery of salary, PF and ESIC matters.	161.7	123.2
(ii) (ii)Demand for discontinuing of contract system and for differential wages	50.5	97.9
	212.2	221.1
b) (i) Sales-tax		
For non-receipt of C Forms and non-acceptance of Company’s claim of certain sales as exempt sales in respect of various assessment years.	25.3	25.3
(ii) Excise duty and Service tax		
In respect of matters decided against the Company, for which the Company is in appeal with higher authorities.	212.0	213.0
	237.3	238.3
c) Income tax		
In respect of matters decided against the Company, for which the Company is in appeal with higher authorities.	177.9	206.2
	177.9	206.2
In respect of above matters, it is not practicable for the Company to estimate the closure of these issues and consequential timing of cash flows, if any.		
d) Others		
Demand notice for stamp duty on Order of Hon’ble National Company Law Tribunal, Mumbai Bench, approving the Scheme of Amalgamation of INA Bearings India Private Limited and LuK India Private Limited with the Company, for which the Company is in appeal with higher authorities.	250.0	250.0
	250.0	250.0

37. Commitments

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Contracts on capital account		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance ₹344.5 mn; 2024: ₹315.3 mn).	2,359.8	2,953.1

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

38. Related Party disclosures as required under Ind AS-24 are given below

- 1) Name and nature of relationship of the related party where control exists
- The ultimate control lies with INA Holding Schaeffler GmbH & Co. KG, Germany.
- 2) Names of the Related Parties having transactions with the Company during the year.

For the year ended December 31, 2025	For the year ended December 31, 2024
Ultimate holding Company	Ultimate holding Company
INA Holding Schaeffler GmbH & Co. KG, Germany	INA Holding Schaeffler GmbH & Co. KG, Germany
Subsidiaries	Subsidiaries
KRSV Innovative Auto Solutions Pvt. Limited, India - 100% Holding	KRSV Innovative Auto Solutions Pvt. Limited, India - 100% Holding
Fellow subsidiaries	Fellow subsidiaries
Schaeffler Australia Pty Ltd., Australia	Schaeffler Australia Pty Ltd., Australia
Schaeffler Austria GmbH., Austria	Schaeffler Austria GmbH., Austria
Schaeffler Brasil Ltda., Brasil	Schaeffler Brasil Ltda., Brasil
Schaeffler Canada Inc., Canada	Schaeffler Canada Inc., Canada
Schaeffler (China) Co., Ltd., China	Schaeffler (China) Co., Ltd., China
Schaeffler (Nanjing) Co., Ltd., China	Schaeffler Trading (Shanghai) Co., Ltd., China
Schaeffler (Ningxia) Co., Ltd., China	Schaeffler (Ningxia) Co., Ltd., China
Schaeffler (Xiangtan) Co., Ltd., China	Schaeffler Friction Products (Suzhou) Co., Ltd., China
Schaeffler Friction Products (Suzhou) Co., Ltd., China	Schaeffler (Nanjing) Co., Ltd., China
Schaeffler Smart Machinery (Taicang) Co., Ltd., China	Schaeffler (Xiangtan) Co., Ltd., China
Schaeffler Trading (Shanghai) Co., Ltd., China	Schaeffler Smart Machinery (Taicang) Co., Ltd., China
Schaeffler France SAS., France	Schaeffler Middle East FZE., Dubai
Schaeffler Aerospace Germany GmbH & Co. KG., Germany	Schaeffler Danmark ApS., Denmark
Schaeffler AG., Germany	Schaeffler France SAS., France
Schaeffler Automotive Buehl GmbH & Co. KG., Germany	WPB Water Pump Bearing GmbH & Co. KG, Germany
Schaeffler Digital Solutions GmbH., Germany	Schaeffler Technologies AG & Co. KG, Germany
Schaeffler Engineering GmbH., Germany	Schaeffler Automotive Buehl GmbH & Co. KG, Germany
Schaeffler Friction Products GmbH., Germany	Schaeffler Vehicle Lifetime Solutions Germany GmbH & Co. KG., Germany (formerly Schaeffler Automotive Aftermarket GmbH & Co. KG,)
Schaeffler Industrial Remanufacturing Services AG & Co. KG., Germany	Schaeffler AG, Germany
Schaeffler Sondermaschinenbau AG & Co. KG., Germany	Schaeffler Friction Products GmbH, Germany
Schaeffler Technologies AG & Co. KG., Germany	Schaeffler Engineering GmbH., Germany
Schaeffler Ultra Precision Drives GmbH., Germany	Schaeffler Digital Solutions GmbH, Germany
Schaeffler Vehicle Lifetime Solutions Germany GmbH & Co. KG., Germany	Schaeffler Ultra Precision Drives GmbH, Germany
WPB Water Pump Bearing GmbH & Co. KG., Germany	Schaeffler Sondermaschinenbau AG & Co. KG, Germany
Schaeffler Hong Kong Company Limited., Hong Kong	Schaeffler Schweinfurt Beteiligungs GmbH, Germany
Schaeffler Debrecen Kft., Hungary	Schaeffler Bühl Verwaltungs GmbH, Germany
Schaeffler Savaria Kft., Hungary	Schaeffler Verwaltungsholding Sechs GmbH, Germany
Schaeffler Special Machinery Kft., Hungary	Industriewerk Schaeffler INA-Ingenieurdienst GmbH, Germany
Schaeffler Iberia, S.L.U., Iberia	Schaeffler Hong Kong Company Limited, Hong Kong
Schaeffler Digital Solutions India Private Limited., India	Schaeffler Savaria Kft., Hungary
Schaeffler Global Services India Private Limited., India	Schaeffler Debrecen Kft., Hungary
Schaeffler Technology Solutions India Private Limited., India	Schaeffler Technology Solutions India Pvt. Limited, India

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

For the year ended December 31, 2025	For the year ended December 31, 2024
Vitesco Technologies India Private Limited., India	Vitesco Technologies India Private Limited, India
PT. Schaeffler Solutions Indonesia., Indonesia	PT. Schaeffler Solutions Indonesia., Indonesia (formerly Schaeffler Bearings Indonesia, PT.,)
Schaeffler Italia S.r.l., Italy	Schaeffler Water Pump Bearing Italia S.r.l., Italy
Schaeffler Water Pump Bearing Italia S.r.l., Italy	Schaeffler Italia S.r.l., Italy
Schaeffler Japan Co., Ltd., Japan	Schaeffler Japan Co., Limited, Japan
Schaeffler Ansan Corporation., Korea	Schaeffler Ansan Corporation, Korea
Schaeffler Korea Corporation., Korea	Schaeffler Korea Corporation, Korea
Schaeffler Special Machinery Corporation., Korea	Schaeffler Special Machinery Corporation., Korea
Schaeffler (Malaysia) Sdn. Bhd., Malaysia	Schaeffler (Malaysia) Sdn. Bhd., Malaysia (formerly Schaeffler Bearings (Malaysia) Sdn. Bhd.,)
Schaeffler Mexico, S. de R.L. de C.V., Mexico	Schaeffler Transmisión, S. de R.L. de C.V., Mexico
Schaeffler Transmisión, S. de R.L. de C.V., Mexico	Schaeffler Automotive Aftermarket Mexico, S. de R.L. de C.V., Mexico
Schaeffler Vehicle Lifetime Solutions Mexico, S. de R.L. de C.V., Mexico	Schaeffler Mexico, S. de R.L. de C.V., Mexico
Schaeffler Smart Maintenance Tools B.V., Netherland	Schaeffler Smart Maintenance Tools B.V., Netherland (formerly BEGA International B.V.,)
Schaeffler Special Machinery Netherlands B.V., Netherland	Schaeffler Special Machinery Netherlands B.V., Netherland (formerly Radine B.V.,)
Schaeffler Philippines Inc., Philippines	Schaeffler Philippines Inc., Philippines
Schaeffler Vehicle Lifetime Solutions Poland Spolka z o.o., Poland	Schaeffler Portugal, Unipessoal, Lda., Portugal
Schaeffler Portugal, Unipessoal, Lda., Portugal	Schaeffler Romania S.R.L., Romania
Schaeffler Romania S.R.L., Romania	Schaeffler (Singapore) Pte. Ltd., Singapore
Vitesco Technologies Romania S.R.L., Romania	Schaeffler Kysuce, spol. s r.o., Slovakia
Schaeffler (Singapore) Pte. Ltd., Singapore	Schaeffler Production CZ s.r.o., Slovakia
Schaeffler Kysuce, spol. s r.o., Slovakia	Schaeffler Skalica, spol. s r.o., Slovakia
Schaeffler Skalica, spol. s r.o., Slovakia	Schaeffler Special Machinery, spol. s r.o., Slovakia
Schaeffler Special Machinery, spol. s r.o., Slovakia	Schaeffler Iberia, S.L.U., Spain
Schaeffler South Africa (Pty.) Ltd., South Africa	Schaeffler South Africa (Pty.) Ltd., South Africa
Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand	Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand
Vitesco Technologies (Thailand) Co., Ltd., Thailand	Schaeffler (UK) Limited, UK
Schaeffler (UK) Limited., UK	Schaeffler Vehicle Life Time Solutions UK Limited., UK (Formerly Schaeffler Automotive Aftermarket (UK), Limited, UK)
Schaeffler Vehicle Lifetime Solutions UK Limited., UK	Schaeffler Group USA, Inc., USA
Schaeffler Group USA, Inc., USA	Schaeffler Special Machinery LLC., USA
Schaeffler Special Machinery LLC., USA	Schaeffler Vietnam Co., Ltd., Vietnam
Schaeffler Transmission Systems, LLC., USA	
Schaeffler Vehicle Lifetime Solutions USA LLC., USA	
Schaeffler Vietnam Co., Ltd., Vietnam	
Key Management Personnel	Key Management Personnel
Mr. Harsha Kadam, Managing Director	Mr. Harsha Kadam, Managing Director
Ms. Hardevi Vazirani, Director Finance and CFO	Ms. Hardevi Vazirani, Director Finance and CFO (w.e.f. February 13, 2024)
	Mr. Satish Patel, Director Finance and CFO (up to February 12, 2024)

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

3) Transactions with related parties during the year				
(₹ in million)				
Nature of transactions	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Total
Purchase of finished goods	-	14,675.0	-	14,675.0
	-	(15,227.3)	-	(15,227.3)
Purchase of raw materials and components and spares	-	11,655.6	-	11,655.6
	-	(9,008.6)	-	(9,008.6)
Purchase of property, plant and equipments	-	1,420.4	-	1,420.4
	-	(2,220.0)	-	(2,220.0)
Fees for use of technology/trademark	-	1,890.2	-	1,890.2
	-	(1,555.6)	-	(1,555.6)
Travelling, training, testing, support fee and other cost	-	1,104.9	-	1,104.9
	-	(512.3)	-	(512.3)
Dividend for the year - 2024	-	3,244.2	-	3,244.2
	2023	-	(3,012.1)	(3,012.1)
SAP, other IT systems and connectivity cost	-	791.9	-	791.9
	-	(663.8)	-	(663.8)
Expat cost	-	20.7	-	20.7
	-	(15.5)	-	(15.5)
Commission on guarantee - other cost	-	1.9	-	1.9
	-	(2.3)	-	(2.3)
Sale of finished goods	-	13,176.8	-	13,176.8
	-	(9,797.7)	-	(9,797.7)
Sale of property, plant and equipments	-	-		-
	-	(15.1)		(15.1)
Reimbursement of expenses	-	430.5	-	430.5
	-	(260.7)	-	(260.7)
Service income	-	26.0	-	26.0
	-	(13.6)	-	(13.6)
Loan given to subsidiaries	720.0	-	-	720.0
	(530.5)	-	-	(530.5)
Interest on loan given to subsidiaries	85.1	-	-	85.1
	(38.1)	-	-	(38.1)
Managerial remuneration ¹	-	-	65.9	65.9
	-	-	(59.6)	(59.6)
Short-term employee benefits	-	-	54.6	54.6
	-	-	(49.5)	(49.5)
Long-term employee benefits	-	-	11.3	11.3
	-	-	(10.1)	(10.1)

¹ In the case of present key management personnel, remuneration does not include gratuity and leave encashment benefits which are determined for the Company as a whole.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

4) Balances outstanding as at 31 December 2025

(₹ in million)	
Nature of Transaction	Subsidiaries/Fellow subsidiaries
Trade receivables	
Schaeffler Technologies AG & Co. KG, Germany	1,465.2
	(834.1)
Schaeffler Group USA, Inc., USA	368.5
	(287.8)
Schaeffler Trading(Shanghai) Co. Ltd; China	337.9
	(361.0)
Others	1,026.4
	(685.1)
As at December 31, 2025	3,198.0
As at December 31, 2024	(2,168.0)
Trade payables	
Schaeffler Technologies AG & Co. KG, Germany	5,669.9
	(4,546.7)
Schaeffler (China) Co., Ltd., China	1,483.7
	(478.6)
Others	1,375.1
	(977.5)
As at December 31, 2025	8,528.7
As at December 31, 2024	(6,002.8)
Other receivables	
Schaeffler Technologies AG & Co. KG, Germany	61.1
	(50.2)
Schaeffler Technology Solutions India Pvt. Limited, India	44.8
	(21.5)
Vitesco Technologies India Pvt. Limited, India	26.7
	-
Others	129.9
	(113.0)
As at December 31, 2025	262.5
As at December 31, 2024	(184.7)
Creditors for Capital goods	
Schaeffler Technologies AG & Co. KG, Germany	442.4
	(259.7)
Schaeffler Austria GmbH., Austria	129.7
	-
Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand	112.1
	-
Others	162.8
	(504.9)
As at December 31, 2025	847.0
As at December 31, 2024	(764.6)
Loan Receivable	
KRSV Innovative Auto Solutions Pvt. Limited, India	1,420.0
	(700.0)
As at December 31, 2025	1,420.0
As at December 31, 2024	(700.0)

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

5) The material related party transactions are as under:

(₹ in million)		
Nature of Transactions	Subsidiaries/Fellow subsidiaries	Amount
Purchase of finished goods	Schaeffler Technologies AG & Co. KG, Germany	10,499.2
		(11,482.6)
	Schaeffler (China) Co. Ltd.China	2,328.0
		(1,378.8)
Purchase of raw material and components and spares	Schaeffler Technologies AG & Co. KG, Germany	5,624.9
		(4,897.5)
	Schaeffler (China) Co. Ltd. China	3,153.0
		(1,551.2)
	Schaeffler Friction Products (Suzhou) Co., Ltd., China	1,462.9
		(1,093.4)
Purchase of property, plant and equipments	Schaeffler Technologies AG & Co. KG, Germany	598.8
		(1,008.1)
	Schaeffler Sondermaschinenbau AG & Co. KG, Germany	269.8
		(94.4)
Sale of finished goods	Schaeffler Technologies AG & Co. KG, Germany	5,352.9
		(3,798.1)
	Schaeffler Trading(Shanghai) Co. Ltd; China	1,742.0
		(1,458.5)
Sale of property, plant and equipments	Schaeffler Technology Solutions India Pvt. Limited, India	-
		(15.1)
Fees for use of technology/ trademark	Schaeffler Technologies AG & Co. KG, Germany	1,890.2
		(1,555.6)
SAP, other IT systems and connectivity cost	Schaeffler Technologies AG & Co. KG, Germany	791.9
		(663.8)
Travelling, training, testing, support fee and other cost	Schaeffler Technologies AG & Co. KG, Germany	592.8
		(227.5)
Expat cost	Schaeffler Technologies AG & Co. KG, Germany	20.7
		(15.2)
Commission on guarantee - other cost	Schaeffler AG, Germany	1.9
		(2.3)
Reimbursement of expenses	Schaeffler Technologies AG & Co. KG, Germany	78.9
		(42.8)
	Schaeffler Korea Corporation, Korea	47.3
		(38.6)
	Schaeffler (Singapore) Pte. Ltd., Singapore	58.0
		(34.9)
	Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand	54.1
		(13.7)

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

Nature of Transactions	Subsidiaries/Fellow subsidiaries	Amount
Service income	Schaeffler Technologies AG & Co. KG, Germany	16.1
		(8.4)
	Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand	3.3
		(1.8)
	Schaeffler Vehicle Lifetime Solutions Poland Spolka z.o.o, Poland	3.3
		(-)
Loan given to subsidiaries	KRSV Innovative Auto Solutions Pvt. Limited, India	720.0
		(530.5)
Interest on loan given to subsidiaries	KRSV Innovative Auto Solutions Pvt. Limited, India	85.1
		(38.1)
Managerial remuneration	Mr. Harsha Kadam	48.0
		(43.1)
	Ms. Hardevi Vazirani	17.9
		(14.3)
	Mr. Satish Patel	-
		(2.2)
Dividend paid	Schaeffler Schweinfurt Beteiligungs GmbH, Germany	1,194.1
		(1,108.6)
	Schaeffler Bühl Verwaltungs GmbH, Germany	900.0
		(835.5)
	Schaeffler Verwaltungsholding Sechs GmbH, Germany	656.9
		(610.0)
	Industriewerk Schaeffler INA-Ingenieurdienst GmbH, Germany	493.2
		(458.0)

Amounts in brackets represent previous year amounts.

Names and details of fellow subsidiaries and subsidiary having transaction value in excess of 10% in line transactions during the year.

Terms and conditions with related parties;

The sales to and purchases from related parties including fixed Assets and other expenses are made in the normal course of business and on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at the year-end are unsecured and interest free.

Sales made to/purchases made from and other transactions with related parties are on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business. The Company mutually negotiates and agrees prices, discount and payment terms with the related parties by benchmarking the same to transactions with non-related parties. Trade receivables and Trade payables outstanding balances are unsecured and require settlement in cash. No guarantee or other security has been received/given against these receivables/payables. All related party transactions executed by the Company are at arm's length and in ordinary course of business.

39. Derivative instruments

The Company’s exposure to foreign currency fluctuations relates to foreign currency assets, liabilities and forecasted cash flows. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives like forward contracts. The Company has entered into foreign currency forward contracts, majority having maturity of less than one year from reporting date, to hedge its risks associated with foreign currency fluctuations relating to such highly probable transactions. The currencies in which these transactions are mainly denominated is in US Dollars, CNY and Euro.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

Outstanding derivative instruments					
Category	Currency hedged	As at December 31, 2025		As at December 31, 2024	
		Notional amount in foreign currency	Equivalent amount (₹ in mn)	Notional amount in foreign currency	Equivalent amount (₹ in mn)
Forward exchange contracts					
(to hedge highly probable import payables)	USD	21,608,300	1,942.8	17,425,948	1,492.1
	EUR	4,435,000	468.8	5,000,000	445.0
	CNY	85,130,000	1,095.2	48,950,000	574.2

The Company holds the following instruments to hedge exposures to changes in foreign currency:

(₹ in million)

Category	Maturity			
	As at December 31, 2025		As at December 31, 2024	
	1-6 months	6-12 months	1-6 months	6-12 months
Foreign currency risk				
Forward exchange contracts				
Net exposure (₹ in mn)	2,372.5	1,134.3	1,426.9	1,084.3
Average ₹: USD forward contract rate	89.4	91.1	84.6	85.9
Average ₹: EUR forward contract rate	101.8	107.9	92.6	91.6
Average ₹: CNY forward contract rate	12.7	13.1	11.9	12.1

Foreign currency exposures as at December 31, 2025:			
Particulars	Currency	Amount in foreign currency	Equivalent amount
Trade Payables	USD	35,213,321.5	3,166.0
		(21,548,345.0)	(1,845.0)
	EUR	2,743,498.0	290.0
		(2,326,648.9)	(207.1)
	CHF	6,646.0	0.8
		(6,195.4)	(0.6)
	JPY	21,843,412.0	12.5
		(5,335,516.0)	(2.9)
	GBP	1,048.8	0.1
		-	-
	CNY	43,037,810.1	553.7
		(13,864,496.3)	(162.6)
Trade Receivables	USD	20,273,350.1	1,822.7
		(16,530,296.8)	(1,415.4)
	EUR	633,706.3	67.0
		(566,609.7)	(50.4)
Bank balance in EEFC accounts	USD	4,798,448.0	431.4
		(4,098,158.2)	(350.9)
	EUR	2,913.8	0.3
		(325,061.4)	(28.9)

Amounts in brackets represent previous year numbers.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

The Company's exposure to foreign currency risk at the end of reporting period are as follows

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
Financial assets		
Trade receivables		
USD	1,822.7	1,415.4
EUR	67.0	50.4
Bank Balances in EEFC account		
USD	431.4	350.9
EUR	0.3	28.9
Total Exposure to foreign currency assets	2,321.4	1,845.6

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
Financial liabilities		
Trade payables		
USD	3,166.0	1,845.0
EUR	290.0	207.1
CHF	0.8	0.6
JPY	12.5	2.9
GBP	0.1	-
CNY	553.7	162.6
Total Exposure to foreign currency liabilities	4,023.1	2,218.2

40. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- market risk [refer 40 (A) below]
- liquidity risk [refer 40 (B) below]
- credit risk [refer 40 (C) below]

In the course of its business, the Company is exposed primarily to aforesaid risks, which may impact the fair value of its financial instruments. The Company has a risk management system which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as credit risks. The risk management strategy is approved by Board of Directors which is implemented by the Company's management. The risk management framework aims to create a stable business planning environment by reducing the impact of market related risks, credit risks and currency fluctuations on the Company's earnings. The risks identified through the risk management system are analysed and evaluated by the Company's management and reported to the Board of Directors periodically along with report of planned mitigation measures.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

A) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollars, Euro, Swiss Franc, Japanese Yen, Pound and Yuan. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (Indian Rupees).

The Company has import and export transactions in foreign currencies. Imports are higher than exports and hence the Company has foreign currency exposure to the extent of imports being higher than exports. The risk of foreign currency fluctuation is mitigated through hedging. Please refer Note 39 for details of foreign currency exposure.

The Company's exposure to foreign currency risk at the end of reporting period are as follows:

Foreign Currency Sensitivity

The following table demonstrates sensitivity to a reasonable possible change in major foreign currencies like USD, EUR, CHF, JPY, GBP and CNY with all other variables held constant:

(₹ in million)

		Effect on Profit Before Tax/Equity	
		As at December 31, 2025	As at December 31, 2024
USD	+5%	(45.6)	(3.9)
	-5%	45.6	3.9
EUR	+5%	(11.1)	(6.4)
	-5%	11.1	6.4
CHF	+5%	(0.0)	(0.0)
	-5%	0.0	0.0
JPY	+5%	(0.6)	(0.1)
	-5%	0.6	0.1
GBP	+5%	(0.0)	0.0
	-5%	0.0	0.0
CNY	+5%	(27.7)	(8.1)
	-5%	27.7	8.1

(ii) Interest rate risk

Interest rate risk exposure: The Company does not have interest bearing borrowings and interest rate risk is towards opportunity cost on investment in tax free bonds. Surplus funds are being invested in bank deposits at fixed interest rates and the tenure is managed to match with the Company's liquidity profile.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

(B) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and cash flows generated from operations. The Company regularly monitors actual cash flows and forecasts to ensure that the Company maintains sufficient liquidity to meet the operation needs.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows (except lease liabilities refer note 48 (7)) at the balance sheet date:

(₹ in million)

	Carrying amount	Less than 12 months	More than 12 months	Total
As at December 31, 2025				
Financial liabilities				
Lease liabilities	390.1	108.4	281.7	390.1
Trade payables	16,621.6	16,621.6	-	16,621.6
Security deposits from customers/suppliers	21.7	-	21.7	21.7
Employee liabilities	956.8	836.8	120.0	956.8
Creditors for capital goods	1,189.0	1,189.0	-	1,189.0
Accrued expense	124.5	124.5	-	124.5
Unclaimed dividends	15.4	15.4	-	15.4
Other payables	11.2	11.2	-	11.2
As at December 31, 2024				
Financial liabilities				
Lease liabilities	424.2	98.5	325.7	424.2
Trade payables	11,187.3	11,187.3	-	11,187.3
Security deposits from customers/suppliers	21.5	-	21.5	21.5
Employee liabilities	681.2	562.6	118.6	681.2
Creditors for capital goods	1,267.0	1,267.0	-	1,267.0
Accrued expense	117.9	117.9	-	117.9
Unclaimed dividends	14.3	14.3	-	14.3
Other payables	8.6	8.6	-	8.6

(C) Credit Risk

Credit risk is the unexpected loss in financial instruments if the counter parties fails to discharge it's contractual obligations in entirety and timely. The Company is exposed to credit risks arising from it's operating and financing activities such as trade receivables, loans and advances and other financial instruments. The carrying amounts of financial assets represent the maximum credit exposure.

Trade receivables

Credit risk on trade receivables is limited due to the Company's diversified customer base which includes public sector enterprises and reputed private corporates. For trade receivables, the Company computes expected credit loss allowance based on provision matrix which is prepared considering customer's industry segment and historically observed overdue rate over expected life of trade receivables ranging from 0.02% to 1.10%, except for few customer where specific provisions is being created. The expected credit loss allowance is considered as a percentage of net receivable position.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

(₹ in million)

	As at December 31, 2025		As at December 31, 2024	
	Less than 6 months	More than 6 months	Less than 6 months	More than 6 months
Gross carrying amount	16,247.7	168.1	12,584.6	174.2
Allowance for expected credit loss	(19.0)	(165.5)	(16.6)	(4.0)
Carrying amount of trade receivables (net)	16,228.7	2.6	12,568.0	170.2

Reconciliation of expected credit loss allowance is as follows:

(₹ in million)

As at January 1, 2025	20.6
Movement in expected credit loss allowance	163.9
As at December 31, 2025	184.5

Financial assets other than trade receivables

Credit risk on cash and cash equivalents, bank balances other than cash and cash equivalents is limited as the Company generally invests in deposits with banks which have high credit ratings assigned by external agencies. Credit risk on loans given to subsidiaries are assessed for credit risk based on the underlying valuation of the entity and their ability to repay within the contractual repayment terms. Based on the Company’s historical experience, the credit risk on other financial assets is low.

41. Capital management

For the purpose of Company's capital management, capital includes equity share capital and all other reserves attributable to equity shareholders. The Company has a long-term strategy of pursuing profitable growth. Capital is managed proactively to secure the existence of the Company as a going concern in the long-term and create financial flexibility for profitable growth in order to add value to the Company. A further aim of the capital management is to ensure long-term availability of liquidity, maintain strong credit ratings and ensure optimal capital structure in order to support business through continuing growth and maximising shareholders value. The Company funds its operations through internal accruals and the Management along with the Board of Directors regularly monitor the returns on capital as well as dividend levels to shareholders.

The amounts managed as capital by the Company for the reporting period under review are summarised as follows:

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
Total equity	61,426.9	53,833.0
Cash and cash equivalents	(9,590.0)	(4,634.0)
Capital	51,836.9	49,199.0
Total equity	61,426.9	53,833.0
Lease Liabilities	390.1	424.2
Overall financing	61,817.0	54,257.2
Capital to overall financing ratio	0.84	0.91

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

42. Employee benefits:

A) Post employment benefit plans

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Superannuation Fund which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to ₹255.2 million (2024: ₹237.0 million) and contribution to superannuation fund for the year aggregated to ₹33.2 million (2024: ₹33.3 million).

Defined benefit plans

The Company has defined benefit plans that provide gratuity benefit. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month’s salary for each year of completed service at the time of retirement/exit. The Scheme is funded by the plan assets. The expected contribution to the plan next year is ₹100.0 million (2024: ₹50.0 million).

The following table summarises the position of assets and obligations

	Gratuity	
	As at December 31, 2025	As at December 31, 2024
Present value of funded obligations	1,302.6	1,033.5
Fair value of plan assets	1,019.6	911.1
Liability recognised in balance sheet	283.0	122.4

Classification into current/non-current

The liability in respect of each of the plans comprises of the following non-current and current portions:

	Gratuity	
	As at December 31, 2025	As at December 31, 2024
Non-current liability	-	-
Current liability	283.0	122.4
Total	283.0	122.4

Movement in present values of defined benefit obligations:

	Gratuity	
	As at December 31, 2025	As at December 31, 2024
Opening defined benefit obligation	1,033.5	931.6
Service cost	77.7	67.1
Past service cost (refer Note 42 (B))	210.0	-
Interest cost	64.2	60.5
Actuarial (gains)/losses recognised in Other Comprehensive Income due to:		
Change in assumptions	9.2	64.2
Experience changes	(5.5)	-
Benefits paid	(86.5)	(89.9)
Closing defined benefit obligation	1,302.6	1,033.5

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

Movement in fair value of plan assets:

	Gratuity	
	As at December 31, 2025	As at December 31, 2024
Opening fair value of plan assets	911.1	830.6
Return on plan assets recognised in other comprehensive income	14.3	11.3
Interest on plan assets	56.3	55.1
Contributions by employer	124.4	104.0
Benefits paid	(86.5)	(89.9)
Closing fair value of plan assets	1,019.6	911.1

Expense recognised in the Statement of Profit and Loss:

	Gratuity	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Current service cost	77.7	67.1
Interest on net defined benefit liability	7.9	5.4
Past service cost (refer Note 42 (B))	210.0	-
Total included in Employee benefits expense	295.6	72.5

Remeasurements recognised in other comprehensive income

	Gratuity	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Actuarial loss on defined benefit obligation	3.7	64.2
Return on plan assets excluding interest income	(14.3)	(11.3)
Currency effects - OCI from DBO	-	-
	(10.6)	52.9

Principal actuarial assumptions at the balance sheet date

	Gratuity	
	As at December 31, 2025	As at December 31, 2024
Discount rate per annum as at December 31	6.7%	6.8%
Expected return per annum on plan assets as at December 31	7.7%	8.0%
Future salary increment	6.5%	6.5%
Retirement age	58 Years	58 Years
Mortality	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table
Attrition rate	6%- 13%	6%- 13%

At December 31, 2025. the weighted-average duration of the defined benefit obligation was 7.16 years (31 December 2024: 6.83 years).

Note: The estimates of future salary increases, considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

Sensitivity Analysis

The following table summerises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points:

	(₹ in million)			
	As at December 31, 2025		As at December 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (100 bps movement on DBO)	(6.72%)	7.65%	(6.41%)	7.29%
Salary escalation rate (100 bps movement pn DBO)	6.86%	(6.40%)	7.24%	(6.49%)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses. Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these not calculated.

The major categories of plan assets are as follows

	(₹ in million)		
	As at December 31, 2025		
	Quoted	Unquoted	Total
Insurer managed funds (Life Insurance Corporation)	-	1,017.3	1,017.3
Others	-	2.3	2.3

Maturity profile of defined benefit obligations:

Year	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Year 1	247.1	216.1
Year 2	129.7	125.0
Year 3	134.1	95.8
Year 4	112.3	100.8
Year 5	110.6	79.9
Year 6	91.3	83.6
Year 7	86.4	65.6
Year 8	93.3	65.8
Year 9	90.2	70.1
Year 10 and above	1,236.6	934.8

Characteristics of defined benefit plans and risks associated with them:

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

- (i) Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).
- (ii) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

- (iii) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- (iv) Investment Risk: The Company has funded with well established Govt. of India undertaking & other IRDA approved agency and therefore, there is no material investment risk.

B) Past service cost:

On November 21, 2025, the Government of India notified the four Labour Codes – the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 – consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has assessed and disclosed the incremental impact of these changes on the basis of the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. The incremental impact consisting of gratuity of ₹210.0 million primarily arises due to change in wage definition has been recognised as an employee benefit expenses in the current reporting period. The Company continues to monitor the finalisation of Central/State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

43. Financial instruments

A) Accounting classifications

The following tables shows the carrying amount/fair values of financial assets and financial liabilities:

Financial instruments category	(₹ in million)	
	Carrying value/Fair value	
	As at December 31, 2025	As at December 31, 2024
Financial Assets		
a) Measurement at amortised cost:		
Trade receivables	16,231.3	12,738.2
Investments	1,225.0	1,424.0
Cash and cash equivalents	9,590.0	4,634.0
Bank balances other than cash and cash equivalents	8,818.4	8,860.9
Loans	1,420.0	700.0
Security deposits	171.7	166.8
Other financial assets	436.0	543.6
Total	37,892.4	29,067.5
b) Measurement at fair value through profit and loss:		
Derivative forward exchange contracts	67.4	22.4
Total Financial Assets	37,959.8	29,089.9
Financial Liabilities		
a) Measurement at amortised cost:		
Trade payables	16,621.6	11,187.3
Other financial liabilities	2,318.6	2,110.5
Lease liabilities	390.1	424.2
Total Financial Liabilities	19,330.3	13,722.0

The carrying amounts of all financial instruments are not materially different from their fair values, since these are of short term nature.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

B) Fair value hierarchy

The carrying amounts of all financial instruments are not materially different from their fair values, since these are of short term nature.

December 31, 2025 (₹ in million)

	Level 1	Level 2	Level 3	2025
Financial Assets				
Trade receivables	-	-	16,231.3	16,231.3
Investments	-	-	1,225.0	1,225.0
Cash and cash equivalents	-	-	9,590.0	9,590.0
Bank balances other than cash and cash equivalents	-	-	8,818.4	8,818.4
Loans	-	-	1,420.0	1,420.0
Security deposits	-	-	171.7	171.7
Other financial assets	-	67.4	436.0	503.4
Total	-	67.4	37,892.4	37,959.8
Financial Liabilities				
Trade payables	-	-	16,621.6	16,621.6
Other financial liabilities	-	-	2,318.6	2,318.6
Lease liabilities	-	-	390.1	390.1
Total	-	-	19,330.3	19,330.3

December 31, 2024 (₹ in million)

	Level 1	Level 2	Level 3	2025
Financial Assets				
Trade receivables	-	-	12,738.2	12,738.2
Investments	-	-	1,424.0	1,424.0
Cash and cash equivalents	-	-	4,634.0	4,634.0
Bank balances other than cash and cash equivalents	-	-	8,860.9	8,860.9
Loans	-	-	700.0	700.0
Security deposits	-	-	166.8	166.8
Other financial assets	-	22.4	543.6	566.0
Total	-	22.4	29,067.5	29,089.9
Financial Liabilities				
Trade payables	-	-	11,187.3	11,187.3
Other financial liabilities	-	-	2,110.5	2,110.5
Lease liabilities	-	-	424.2	424.2
Total	-	-	13,722.0	13,722.0

Valuation techniques and significant unobservable inputs

Specific valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments include:

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- All financial assets and liabilities referred in Level 3 are measured at amortised cost, their carrying amount are reasonable approximation of their fair value.
- There have been no transfers between Level 1, Level 2 and Level 3 for the year ended December 31, 2025 and 2024.
- The fair value of investment in subsidiary has been estimated by discounting expected cash flows.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

44. Segment reporting

(i) Information about business segments

As per 'Ind AS 108 - Operating Segments', the Company has reported segment information under two segments i.e 1) Mobility components and related solutions and 2) Others.

(₹ in million)

Particulars	As at December 31, 2025	As at December 31, 2024
(A) Segment Revenue (Net revenue/income)		
Mobility components and related solutions ¹		
Automotive Technologies	31,372.7	25,179.4
Vehicle Lifetime Solutions	11,397.9	10,163.0
Bearings & Industrial Solutions	20,479.8	19,100.2
Intercompany Exports & Others ²	9,314.0	6,940.9
Sub total (a)	72,564.4	61,383.5
Others		
Automotive Technologies	-	-
Vehicle Lifetime Solutions	-	-
Bearings & Industrial Solutions	16,385.5	15,524.4
Intercompany Exports & Others ²	5,003.3	3,855.0
Sub total (b)	21,388.8	19,379.4
(c) Total Revenue		
Automotive Technologies	31,372.7	25,179.4
Vehicle Lifetime Solutions	11,397.9	10,163.0
Bearings & Industrial Solutions	36,865.3	34,624.6
Intercompany Exports & Others ²	14,317.3	10,795.9
Revenue from operations (a + b)	93,953.2	80,762.9
(B) Segment Results (Profit before unallocable income, finance costs and tax)		
Mobility components and related solutions	10,455.9	8,281.7
Others	4,138.7	3,708.8
Total profit before unallocable income, finance costs and tax	14,594.6	11,990.5
Less: Finance cost	42.3	35.1
Add: Unallocable Income	1,567.9	1,219.3
Profit before tax	16,120.2	13,174.7
(C) Segment assets		
Mobility components and related solutions ³	53,361.9	46,242.9
Others	7,777.7	6,625.2
Unallocated	21,435.3	16,113.1
Total assets	82,574.9	68,981.2
(D) Segment liabilities		
Mobility components and related solutions	14,652.6	10,390.8
Others	3,831.8	2,724.2
Unallocated	2,663.6	2,033.2
Total liabilities	21,148.0	15,148.2
(E) Net capital employed	61,426.9	53,833.0

¹ As a result of the CODM's review mechanism, within segment “Mobility components and related solutions” there have been products/ business reclassification within Automotive Technologies, Vehicle Lifetime Solution and Bearings & Industrial Solutions

² Intercompany Export & Others mainly includes exports to group companies, scrap sales and other operating income

³ Property, plant and equipment (PPE) of the Company is predominantly used for ‘Mobility components and related solutions’ and hence has been disclosed as a segment asset under that reportable segment.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

(ii) Secondary segment information

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and outside India. In presenting the geographical information, segment revenue has been based on geographical location of customers and segment assets which have been based on the geographical location of the assets.

(a) Revenues

	As at December 31, 2025	As at December 31, 2024
India	79,899.9	70,196.0
Outside India	14,053.3	10,566.9
Total	93,953.2	80,762.9

(b) Non-current assets¹

	As at December 31, 2025	As at December 31, 2024
India	25,375.2	24,181.6
Outside India	-	-
Total	25,375.2	24,181.6

¹ Non-current assets exclude financial instruments, deferred tax assets, post employment benefit assets and rights arising under insurance contracts, if any.

(c) Customers accounted individually more than 10% of the revenue 2025 none (2024: none).

45. Research and development expenses under the respective heads aggregate to ₹1,017.5 million (2024: ₹1,070.4 million) including of capital nature ₹39.8 million (2024: ₹67.6 million).

	For the year ended December 31, 2025				For the year ended December 31, 2024			
	Maneja, Savli (Vadodara)	Talegaon (Pune)	Hosur	Total	Maneja, Savli (Vadodara)	Talegaon (Pune)	Hosur	Total
Revenue expenses on research and development included under various heads of expenditure	404.0	316.8	256.9	977.7	445.8	315.2	241.8	1,002.8
Capital expenses on research and development capitalised along with other Fixed assets	35.6	1.6	2.6	39.8	43.8	17.0	6.8	67.6
Total	439.6	318.4	259.5	1,017.5	489.6	332.2	248.6	1,070.4

46. The tax year for the Company being the year ending March 31, 2026, provision for taxation for the year ended December 31, 2025 is aggregate of provision made for three months ended March 31, 2025 and provision based on amounts for remaining nine months ended December 31, 2025, the ultimate tax liability of which will be determined on the basis of figures for the fiscal year April 1, 2025 to March 31, 2026.

The Company's international transactions with associated enterprises are at arm's length, as per the independent accountant's report for the year ended March 31, 2025. The Management believes that the Company's international transactions with associated enterprises post March 31, 2025 continue to be at arm's length and that transfer pricing legislations will not have any impact on the Ind AS financial statements, particularly on the amount of tax expenses for the year and the amount of provision for taxation at the year end.

In the year 2019 the Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from April 1, 2019. Accordingly, the Company has recognised provision for Income Tax and deferred tax expenses for the twelve months ended December 31,

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

2019 on the basis of estimated annual effective income tax rate.

47. Revenue (Ind AS 115)

The Company is engaged in the manufacturing and distribution of bearings, engine systems and transmission components, chassis applications, and clutch systems. All sales are made at a point in time and revenue is recognised upon satisfaction of the performance obligations, which is typically upon dispatch/delivery.

A. Contract balances

Particulars	As at December 31, 2025	As at December 31, 2024	As at January 1, 2024
Trade Receivable (refer Note 11)	16,231.3	12,738.2	10,492.3
Contract Assets (refer Note 9)	327.9	287.2	185.9
Contract Liabilities (Advance from customers) (refer Note 23)	100.8	71.9	47.6

B. Reconciliation of revenue as per contract price and as recognised in statement of profit and loss

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Revenue as per Contract price	93,867.4	80,499.9
Less: Incentives and rebates	1,068.7	830.1
Less: Discounts	300.6	235.3
Revenue as per statement of profit and loss	92,498.1	79,434.5

48. Leases

1. Practical expedients applied

- Applied discount rate based on Incremental borrowing rate as per portfolio of leases of similar assets in similar economic environment with a similar period.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

2. The Company's significant leasing/licensing arrangements are mainly in respect of residential/office premises. Leases generally have a lease term ranging from 12 months to 120 months. Most of the leases are renewable by mutual consent on mutually agreeable terms.

3. Movement in Lease Liability

Particulars	As at December 31, 2025	As at December 31, 2024
At the commencement of the year	424.2	511.0
(Deletions)/Adjustments	(40.7)	11.0
Additions during the year	127.5	15.0
Payments made during the year ¹	(120.9)	(112.8)
Closing Balance	390.1	424.2

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

¹ Total cash outflow for leases for current financial year 2025 is ₹120.9 million (2024 ₹112.8 million)

Amounts recognised in the Statement of Profit and Loss		
The statement of profit and loss shows the following amounts relating to lease		
(₹ in million)		
Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Depreciation charge on right-of-use assets (refer Note 32)	107.3	98.5
Interest expense (refer Note 31)	29.6	26.0
Expense relating to short-term leases (refer Note 33)	20.2	9.5
Total	157.1	134.0

4. Right-of-use assets by class of assets is as follows

(₹ in million)										
Particulars	Gross Block				Amortisation				Net Block	
	As at Jan 1, 2025	Modification of lease term	Additions	Deductions	As at Dec 31, 2025	As at Jan 1, 2025	For the Year	Deductions	As at Dec 31, 2025	As at Dec 31, 2025
Leasehold land	540.6	-	-	-	540.6	11.4	5.8	-	17.2	523.4
Buildings	753.7	57.2	127.5	-	824.0	433.7	99.6	-	533.3	290.7
Vehicle	14.9	-	-	-	14.9	8.8	1.9	-	10.7	4.2
Total	1,309.2	57.2	127.5	-	1,379.5	453.9	107.3	-	561.2	818.3

5. Finance cost includes interest expense amounting to ₹29.6 million (2024: ₹26.0 million) on lease liability accounted in accordance with Ind AS 116 "Leases".
6. Rent expense in Note 33 Represents lease charges for short term leases.
7. Lease liabilities
- The table provides details regarding contractual liabilities of lease liabilities on an undiscounted basis

(₹ in million)		
Particulars	As at December 31, 2025	As at December 31, 2024
Undiscounted future cash outflows		
Not later than 1 year	69.4	62.8
Later than 1 year and not later than 5 years	378.6	433.9
Later than 5 years	-	-

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

8. The Company's leasing activities by type of Right of Use assets recognised in the standalone balance sheet as at December 31, 2025

(₹ in million)			
Right of Use	No of Right of Use assets leased	Range of remaining term	Average remaining term
Leasehold Land	3	73-95 years	56 years
Buildings	12	1-5 years	1 years
Vehicle	1	2-3 years	2 years

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

49. Ratio Analysis and its elements

Ratio	Unit of Measurement	Numerator	Denominator	For the year ended December 31, 2025	For the year ended December 31, 2024	% change	Remarks for variance more than 25%
Current ratio	Times	Current assets	Current liabilities	2.6	2.9	-8.2%	-
Debt-Equity ratio	Times	Debt consists of borrowings and lease liabilities	Total Equity	0.01	0.01	0.0%	-
Debt service coverage ratio	Times	Earnings for debt service ¹	Debt service ²	126.4	110.5	14.4%	-
Return on equity ratio	Percentage	Net Profits after taxes	Average total equity	20.8%	19.2%	8.3%	-
Inventory turnover ratio	Times	Cost of goods sold	Average inventory	3.5	3.6	-2.5%	-
Trade receivables turnover ratio	Times	Net credit sales	Average trade receivables	6.4	6.9	-6.7%	-
Trade payables turnover ratio	Times	Net credit purchases ³	Average trade payables	5.3	5.7	-8.4%	-
Net capital turnover ratio	Times	Net Sales	Working capital ⁴	2.7	2.9	-5.8%	-
Net profit ratio	Percentage	Net Profit	Net Sales	12.9%	12.3%	5.2%	-
Return on capital employed	Percentage	Earnings before interest and taxes	Capital employed ⁵	26.0%	23.8%	9.0%	-
Return on investment	Percentage	Earnings before interest and taxes	Average total assets	19.9%	18.7%	6.7%	-

¹ Earnings for debt service includes net profit after taxes and non-cash operating expenses like depreciation, profit/loss on sale of property, plant and equipment, etc.

² Debt service includes interest & lease payments.

³ Net credit purchases means gross credit purchases after deducting purchase return. Gross credit purchases includes other expenses.

⁴ Working capital is calculated by deducting current liabilities from current assets.

⁵ Capital employed calculated based on total assets less current liabilities.

50. Other Statutory Information

1. The Company does not have any Benami property, where any proceeding has been initiated or is pending against the Company for holding any Benami property.
2. The Company does not have any transactions with companies struck off during the current or previous financial year.
3. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4. The Company has not traded or invested in Currency currency or Virtual Currency during the current or previous financial year.
5. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
6. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the Standalone Financial Statements

for the year ended December 31, 2025

7. The Company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the current or previous financial year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
8. The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
9. The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
10. The Company has not revalued its property, plant and equipment or intangible asset during the current or previous financial year.
11. The Company has complied with the number of layers prescribed under the Companies Act, 2013.

51. Audit trail compliance

The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, inserted by the Companies (Accounts) Amendment Rules 2021, requiring companies which use accounting software for maintaining its books of account to use only such accounting software which has a feature of recording audit trail for each and every transaction, creating an edit log of each change made in the books of account, along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Company uses SAP as its ERP, which has an embedded feature of recording audit trail (edit log) facility and was operating effectively throughout the year, except at the database level. However, the company has adequate mechanisms in form of security audit logging, review of change activities and access rights authorisation review for changes made by users with specific privilege access rights and direct changes if any made on database level. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention. Further, the Company has complied with the retention of the audit trail records as statutorily required and the audit trail feature is not tampered with in respect of accounting software, where such feature is enabled.

52. Subsequent events

The Company evaluated all events or transactions that occurred after December 31, 2025 up through February 24, 2026, the date the standalone financial statements were approved for issue by the Board of Directors. Based on this evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the standalone financial statements.

53. The figures for the previous year have been regrouped/reclassified wherever necessary, to make them comparable. The impact of such reclassification/regrouping is not material to the financial statements.
- The financial statement are approved for issued by the Board of Directors in their meeting held on February 24, 2026.

As per our report of even date attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No: 042423

E.V.Sumithasri
Chairperson
DIN: 07087197

For and on behalf of the **Board of Directors**

Harsha Kadam
Managing Director
DIN: 07736005

Hardevi Vazirani
Director - Finance & CFO
DIN: 10212814

Place: Mumbai
Date: February 24, 2026

Place: Bengaluru
Date: February 24, 2026

Ashish Tiwari
VP - Legal & Company Secretary

Independent Auditor’s Report

To the Members of Schaeffler India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Schaeffler India Limited** (‘the Holding Company’) and its subsidiary, KRSV Innovative Auto Solutions Private Limited (the Holding Company and its subsidiary together referred to as ‘the Group’), which comprise the Consolidated Balance Sheet as at **31 December 2025**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and on the other financial information of the subsidiary the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 December 2025, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
Revenue Recognition (refer note 23 and 45 of the accompanying consolidated financial statements) The Group’s revenue principally comprises sale of goods. Revenue from the sale of goods is recognised at point in time when the control of the goods is transferred to the customers, which is on dispatch/delivery in accordance with the terms of sales contracts. We have identified the recognition of revenue as a key audit matter since the Group has various customers with different terms of trade which increase the risk of error in the timing of revenue recognition. Revenue is determined to be an area involving significant risk in line with the requirements on Standards of Auditing and hence requiring significant auditor attention. The Group and its external stakeholders focus on revenue as a key performance indicator and therefore there could be a risk of material misstatement in so far as revenue recognition is concerned.	Our key audit procedures around revenue recognition included, and not limited to, the following: - Obtained an understanding of and assessed the design, implementation and operating effectiveness of management’s key internal financial controls in relation to revenue recognition; - Assessed the appropriateness of the revenue recognition accounting policies of the Group including those relating to variable consideration, by evaluating compliance with the applicable accounting standards. - Selected samples of revenue transactions during the year and inspected underlying customer contracts and shipping documents to identify the terms and conditions relating to the transfer of control of the products sold and assessed the Group’s timing of revenue recognition; - Performed analytical review procedures on revenue recognised during the year to identify any unusual and/or material variances.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the report of the other auditors on separate financial statement of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Considering the aforesaid significance to our audit and the external stakeholders, revenue recognition has been considered as a key audit matter for the current year’s audit.	Tested selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognised in the appropriate financial period. Evaluated the appropriateness and adequacy of disclosures in the financial statements in respect of revenue recognition with the applicable standards.

Key audit matters	How our audit addressed the key audit matters
Related Party Transactions (refer note 36 of the accompanying consolidated financial statements) The Group has entered into several transactions with related parties during the year ended 31 December 2025 and has outstanding balances as the year-end. The Group’s related party transactions comprises purchase and sale of goods, purchase of tangible assets, payments for royalty, information technology services and other services, guarantee commission and reimbursements. Each related party operates under different jurisdiction and applies its own pricing model to be compliant with the respective legal and tax (transfer pricing) framework of the respective jurisdiction. We have identified transactions with related parties as a key audit matter due to quantum of transactions, completeness of the disclosures made in the financial statements, compliance with various tax requirements and judgements involved to ensure arm’s length pricing, compliance with statutory regulations governing related party transactions such as Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (‘the SEBI listing regulations’).	Our key audit procedures around Related party transactions included, and not limited to, the following: - Obtained an understanding and assessed the design, implementation and operating effectiveness of management’s key internal financial controls in relation to identification and disclosure of related party transactions and arm’s length assessment. - Assessed the compliance with the SEBI listing regulations and the regulations under the Companies Act, 2013, including authorisation and approvals as specified in Sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions, as applicable. - Evaluated the compliance with Indian Transfer Pricing Regulations with respect to arm’s length based on the transfer pricing documentation prepared by the Group. This also involved obtaining views from the auditor’s internal tax experts regarding the arm’s length pricing. - On a sample basis, inspected relevant ledgers, agreements and other information that may indicate the existence of related party relationships or transactions. We also assessed the completeness of related parties with reference to the various statutory registers and declarations maintained by the Group’s management. Evaluated the adequacy and appropriateness of the disclosures on related party transactions in the financial statements with the requirements of the applicable accounting standard.

Information other than the Consolidated Financial Statements and Auditor’s Report thereon

6. The Holding Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company’s Board of Directors. The Holding Company’s Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and

application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements one(1) subsidiary, whose financial statements reflects total assets of ₹969.7 million as at 31 December 2025, total revenues of ₹2,918.6 million and net cash inflows amounting to ₹42.6 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditors. Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor’s Report) Order, 2020 (‘the Order’) issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) Except for the matters stated in paragraph 18(h) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the report of the statutory auditor of its subsidiary, covered under the Act, none of the directors of the Holding Company and its subsidiary, are disqualified as on 31 December 2025 from being appointed as a director in terms of section 164(2) of the Act.
- f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary covered under the Act, and the operating effectiveness of such controls, refer to our separate report in ‘Annexure A’ wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statement and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 34 to the consolidated financial statements;
- ii. The Holding Company and its subsidiary did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 December 2025;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary during the year ended 31 December 2025;
- iv. a. The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have

- represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in note 49(5) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any person(s) or entity(ies), including foreign entities (‘the intermediaries’), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary (‘the Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the note 49(6) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary from any person(s) or entity(ies), including foreign entities (‘the Funding Parties’), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors’ notice

- that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. a. The final dividend paid by the Holding Company during the year ended 31 December 2025 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend; and
- b. As stated in note 15 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 December 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. As stated in note 50 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiary and of the Holding Company which are companies incorporated in India and audited under the Act, the Holding Company and its subsidiary, in respect of financial year commencing on or after 1 January 2025, have used an accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software except at the database level in the case of the Holding Company. Further, during the course of our audit we and respective auditors of the above referred subsidiary did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled. Furthermore, the audit trail has been preserved by the Holding Company and above referred subsidiary as per the statutory requirements for record retention.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm’s Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN: 26042423JIKSZK1685

Place: Mumbai
Date: 24 February 2026

Annexure A

Independent Auditor’s Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)

1. In conjunction with our audit of the consolidated financial statements of Schaeffler India Limited (‘the Holding Company’) and its subsidiary (the Holding Company and its subsidiary together referred to as ‘the Group’), as at and for the year ended 31 December 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (‘the Guidance Note’) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company’s business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining

an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company’s internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the report of the other auditors on internal financial controls with reference to financial statement of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 December 2025, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to one (1) subsidiary company, which are companies covered under the Act, whose financial statement

Place: Mumbai
Date: 24 February 2026

reflects total assets of ₹969.7 million and net assets of ₹(954.5) million as at 31 December 2025, total revenues of ₹2,918.6 million and net cash inflows amounting to ₹42.6 million for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditors whose report have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditors of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm’s Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN: 26042423JKSZK1685

Consolidated Balance Sheet

as at December 31, 2025

(₹ in million)			
	Notes	As at December 31, 2025	As at December 31, 2024
A) ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3.1	19,572.3	17,203.7
b) Right of use assets	3.2	963.0	978.8
c) Capital work-in-progress	3.3	3,344.6	4,491.1
d) Goodwill	48 (b)	822.3	822.3
e) Other intangible assets	3.4	592.0	690.4
f) Financial assets			
(i) Security deposits	4	191.7	187.5
(ii) Other financial assets	4	0.3	5.3
g) Deferred tax assets (net)	5	325.3	211.5
h) Non-current tax assets (net)	6	606.1	670.0
i) Other non-current assets	7	1,058.9	1,031.5
Total non-current assets		27,476.5	26,292.1
2 Current assets			
a) Inventories	8	17,717.5	14,696.2
b) Financial assets			
(i) Trade receivables	9	16,572.7	12,929.2
(ii) Cash and cash equivalents	10	9,638.0	4,639.4
(iii) Bank balances other than (ii) above	11	8,818.4	8,860.9
(iv) Other financial assets	12	504.2	561.0
c) Other current assets	13	1,399.5	850.4
Total current assets		54,650.3	42,537.1
TOTAL ASSETS		82,126.8	68,829.2
B) EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	14	312.6	312.6
b) Other equity	15	60,167.0	53,031.7
Total equity		60,479.6	53,344.3
Liabilities			
2 Non-current liabilities			
a) Financial liabilities			
(i) Lease liabilities	16 (a)	406.2	434.3
(ii) Other financial liabilities	17	143.7	143.7
b) Provisions	18	13.6	26.5
Total non-current liabilities		563.5	604.5
3 Current liabilities			
a) Financial liabilities			
(i) Lease liabilities	16 (b)	140.5	121.0
(ii) Trade payables	19		
a) Total outstanding dues of micro enterprises and small enterprises		1,251.1	778.6
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		15,574.7	10,502.2
(iii) Other financial liabilities	20	2,207.5	1,993.4
b) Other current liabilities	21	477.8	455.2
c) Provisions	22	1,057.2	790.6
d) Current tax liabilities (net)		374.9	239.4
Total current liabilities		21,083.7	14,880.4
Total liabilities		21,647.2	15,484.9
TOTAL EQUITY AND LIABILITIES		82,126.8	68,829.2
Material accounting policies	2		
Notes to the consolidated financial statements	3 - 53		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the **Board of Directors**

Khushroo B. Panthaky
Partner
Membership No: 042423

E.V.Sumithasri
Chairperson
DIN: 07087197

Harsha Kadam
Managing Director
DIN: 07736005

Hardevi Vazirani
Director - Finance & CFO
DIN: 10212814

Place: Mumbai
Date: February 24, 2026

Place: Bengaluru
Date: February 24, 2026

Ashish Tiwari
VP - Legal & Company Secretary

Consolidated Statement of Profit and Loss

for the year ended December 31, 2025

(₹ in million)			
	Notes	For the year ended December 31, 2025	For the year ended December 31, 2024
1 Income			
a) Revenue from operations	23	96,858.5	82,323.8
b) Other income	24	1,482.8	1,183.0
Total income		98,341.3	83,506.8
2 Expenses			
a) Cost of materials consumed	25	40,402.7	32,888.1
b) Purchases of stock-in-trade	26	19,863.7	20,245.6
c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(941.0)	(1,564.4)
d) Employee benefits expense	28	6,086.4	5,421.8
e) Finance costs	29	52.2	43.6
f) Depreciation and amortisation expense	30	3,437.2	2,815.5
g) Other expenses	31	13,816.5	10,879.1
Total expenses		82,717.7	70,729.3
3 Profit before tax	(1-2)	15,623.6	12,777.5
4 Tax expense			
Current tax		4,224.1	3,312.5
Deferred tax (credit)/charge		(116.4)	49.0
Tax in respect of prior years		12.4	27.4
5 Profit for the year	(3-4)	11,503.5	9,388.6
6 Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss:			
Profit/(Loss) on remeasurement of post employment benefits obligation		11.0	(52.9)
Income tax relating to items that will not be reclassified to profit and loss		(2.7)	12.8
Other comprehensive income/(loss) for the year (net of tax)		8.3	(40.1)
Total comprehensive income for the year	(5+6)	11,511.8	9,348.5
7 Earnings per equity share [Nominal value of share ₹2 each]			
Basic (in ₹)		73.6	60.1
Diluted (in ₹)		73.6	60.1
Material accounting policies	2		
Notes to the consolidated financial statements	3-53		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the **Board of Directors**

Khushroo B. Panthaky
Partner
Membership No: 042423

E.V.Sumithasri
Chairperson
DIN: 07087197

Harsha Kadam
Managing Director
DIN: 07736005

Hardevi Vazirani
Director - Finance & CFO
DIN: 10212814

Place: Mumbai
Date: February 24, 2026

Place: Bengaluru
Date: February 24, 2026

Ashish Tiwari
VP - Legal & Company Secretary

Consolidated Statement of Cash Flows

for the year ended December 31, 2025

(₹ in million)			
	Notes	For the year ended December 31, 2025	For the year ended December 31, 2024
Cash flows from operating activities			
Profit before tax		15,623.6	12,777.5
Adjustments for:			
Depreciation and amortisation expense	30	3,437.2	2,815.5
Finance costs	29	52.2	43.6
Interest income	24	(990.5)	(890.6)
Loss/(profit) on sale of assets (net)		30.9	(2.4)
Provision for doubtful debts	31	165.4	0.5
Unrealised exchange loss/(gain) (net)		19.5	(0.6)
Bad debts written off	31	0.3	0.1
		2,715.0	1,966.1
Operating cash flow before changes in working capital		18,338.6	14,743.6
Changes in working capital			
(Increase) in inventories		(3,370.6)	(1,316.3)
(Increase) in trade and other receivables		(4,489.8)	(2,426.8)
Increase in trade and other payables		5,845.3	710.8
Increase/(Decrease) in other liabilities and provisions		611.3	(171.1)
		(1,403.8)	(3,203.4)
Cash generated from operating activities		16,934.8	11,540.2
Income tax paid (net of refunds)		(4,034.5)	(3,141.5)
A Net cash generated from operating activities		12,900.3	8,398.7
Cash flows from investing activities			
Purchase of property, plant and equipment (including intangible, capital work-in-progress, capital advance and capital creditors)		(4,638.3)	(7,440.2)
Proceeds from sale of property, plant and equipment		12.2	14.1
Net proceeds from bank deposits (with original maturity of more than 3 months and remaining maturity of less than 12 months)		47.5	6,298.3
Interest received		1,171.4	882.1
B Net cash (used) in investing activities		(3,407.2)	(245.7)
Cash flows from financing activities			
Finance costs paid	29	(12.7)	(9.1)
Principal payment of lease liabilities	46 (3)	(65.8)	(103.2)
Interest on lease liabilities	46 (3)	(39.5)	(34.5)
Dividends paid on equity shares	15	(4,376.5)	(4,063.9)
C Net cash used in financing activities		(4,494.5)	(4,210.7)
Net increase in cash and cash equivalents (A + B + C)		4,998.6	3,942.3
Cash and cash equivalents at the beginning of year (see note 2 below)	10	4,639.4	697.1
Cash and cash equivalents at the end of year (see note 2 below)	10	9,638.0	4,639.4

Notes:

- 1) The above cash flows statement has been prepared under the "Indirect Method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows
- 2) Cash and cash equivalents comprise of

	For the year ended December 31, 2025	For the year ended December 31, 2024
Cash on Hand	0.1	0.3
Current accounts	597.9	774.2
Deposit accounts (with original maturity of three months or less)	9,040.0	3,864.9
	9,638.0	4,639.4

- 3) Refer note 46.3 for disclosure on change in liabilities from financing activities

Material accounting policies2

Notes to the consolidated financial statements3 - 53

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the **Board of Directors**

Khushroo B. Panthaky
Partner
Membership No: 042423

E.V.Sumithasri
Chairperson
DIN: 07087197

Harsha Kadam
Managing Director
DIN: 07736005

Hardevi Vazirani
Director - Finance & CFO
DIN: 10212814

Place: Mumbai
Date: February 24, 2026

Place: Bengaluru
Date: February 24, 2026

Ashish Tiwari
VP - Legal & Company Secretary

Consolidated Statement of Changes in Equity

for the year ended December 31, 2025

(A) Equity Share Capital

(₹ in million)	
	Amount
As at January 1, 2024	312.6
Changes in equity share capital	-
As at December 31, 2024	312.6
Changes in equity share capital	-
As at December 31, 2025	312.6

(B) Other equity

(₹ in million)					
	Reserves and surplus				Total
	Capital reserve	Securities premium	General reserve	Retained earnings	
As at January 1, 2024	617.8	600.0	4,218.4	42,304.7	47,740.9
Profit for the year	-	-	-	9,388.6	9,388.6
Other Comprehensive Income for the year	-	-	-	(40.1)	(40.1)
Change of inventory valuation	-	-	-	6.2	6.2
Total Comprehensive Income for the year	-	-	-	9,354.7	9,354.7
Dividends	-	-	-	(4,063.9)	(4,063.9)
As at December 31, 2024	617.8	600.0	4,218.4	47,595.5	53,031.7
Profit for the year	-	-	-	11,503.5	11,503.5
Other Comprehensive Income for the year	-	-	-	8.3	8.3
Total Comprehensive Income for the year	-	-	-	11,511.8	11,511.8
Dividends	-	-	-	(4,376.5)	(4,376.5)
As at December 31, 2025	617.8	600.0	4,218.4	54,730.8	60,167.0

Nature and purpose of reserves:

- a) Capital reserve represents capital surplus. The reserve is not for any specific purpose but the utilisation will be in accordance with provision of Companies Act 2013.
- b) Securities premium is used to record premium received on issue of equity shares and it will be utilised in accordance with provisions of the Companies Act, 2013.
- c) General reserve is created out of profits earned by the Group by way of transfer from surplus in the Statement of Profit and Loss. The Group can use this reserve for payment of dividends and/or issue of fully paid-up shares.
- d) Retained earnings are the profits that the Group has earned till date, less any transfers to General reserve and payment of dividend. It is utilised in accordance with the provisions of the Companies Act, 2013.

Material accounting policies2

Notes to the consolidated financial statement3 - 53

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the **Board of Directors**

Khushroo B. Panthaky
Partner
Membership No: 042423

E.V.Sumithasri
Chairperson
DIN: 07087197

Harsha Kadam
Managing Director
DIN: 07736005

Hardevi Vazirani
Director - Finance & CFO
DIN: 10212814

Place: Mumbai
Date: February 24, 2026

Place: Bengaluru
Date: February 24, 2026

Ashish Tiwari
VP - Legal & Company Secretary

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

1. Corporate information

Schaeffler India Limited (“the Company” or “Holding Company” or “the Parent Company”) (CIN: L29130PN1962PLC204515) is domiciled and incorporated in India.

The Company along with its subsidiary, KRSV Innovative Auto Solutions Private Limited (collectively referred to as “the Group”) is engaged in the development, manufacturing and distribution of high-precision roller and ball bearings, engine systems and transmission components, chassis applications, clutch systems and related machine building manufacturing activities, through its subsidiary also offers spare parts solution to Indian Automotive aftermarket workshops via B-to-B e-commerce platform. The Company’s manufacturing units are located in the State of Gujarat at Vadodara and Savli, in the State of Maharashtra at Talegaon (Pune) and in the State of Tamil Nadu at Hosur.

The registered office of the Company is located at 15th Floor, ASTP (Amar Sadanand Tech Park), Baner, Pune - 411045, Maharashtra. The Company’s shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in India.

2. Basis of preparation and material accounting policies

2.1 Basis of preparation of Consolidated Financial Statements (‘CFS’)

- (i) The CFS have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the ‘Act’) and other relevant provisions of the Act.

The accounting policies adopted in the preparation of the CFS are consistent for all the periods presented.

The CFS are presented in Indian Rupees, which is the Group’s functional currency and all values are rounded off to the nearest million with one decimal place, except when otherwise indicated.

- (ii) The CFS have been prepared on a historical cost convention basis, except for the following:

- certain financial assets and liabilities (including derivatives) that are measured at fair value;
- defined benefit plans - net defined benefit (asset)/liabilities – Fair value of plan assets less present value of defined benefit obligation.

2.2 Basis of consolidation

Subsidiaries:

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Holding Company controls an investee if and only if the Group has:

- (i) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
 - (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
 - (iii) The ability to use its power over the investee to affect its returns
- The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the years are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.
- Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member’s statements in preparing the consolidated financial statements to ensure conformity with the group’s accounting policies.
- The consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on December 31, 2025.

Consolidation procedure:

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill/reserve.
- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group, profits or losses resulting from intragroup transactions that are recognised in assets (if any), such as inventory, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12, Income Taxes applies to temporary differences that arise from the elimination of profits and losses

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

resulting from intragroup transactions.

Consolidated Statement of profit and loss and each component of other comprehensive income (‘OCI’) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- (i) Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- (ii) Derecognises the carrying amount of any non-controlling interests;
- (iii) Derecognises the cumulative translation differences recorded in equity;
- (iv) Recognises the fair value of the consideration received;
- (v) Recognises the fair value of any investment retained;
- (vi) Recognises any surplus or deficit in profit and loss;
- (vii) Reclassifies the parent’s share of components previously recognised in OCI to profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of the products and time taken between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its normal operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and non-current liabilities.

2.4 Material accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Group’s management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Actual results could differ from those estimates.

Estimates and judgments are reviewed on an ongoing basis. They are based on historical experience and

other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstance. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Judgements:

- a) **Business combinations**

Business combinations are accounted for using Ind AS 103. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets and their estimated useful life. These valuations are conducted by independent valuation experts.

- b) **Current and deferred taxes**

Significant management judgment is required to determine the amount of current and deferred taxes that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- c) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

A disclosure by way of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are not recognised or disclosed in the financial statements.

- d) **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

e) **Impairment of financial assets**

The Group applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables or any other financial assets that result from transactions that are within the scope of “Ind AS 115 – Revenue from Contracts with Customers”. The Group follows the simplified approach for recognition of impairment loss allowance on receivables (net of advances). The application of the simplified approach does not require the Group to track changes in credit risk. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on trade receivables. Impairment loss allowance (or reversal) during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head ‘Other expenses (or other income)’ in the Statement of Profit and Loss.

Estimates and assumptions

a) **Impairment of assets**

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset’s value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the assets.

Goodwill recognised on business combination are tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount of the asset to which these pertain is less than the carrying value. The recoverable amount of the asset is higher of value-in use and fair value less cost of disposal. The calculation of value in use involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk adjusted discount rate, future economic and market conditions.

b) **Determination of the estimated useful lives**

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

c) **Provision for rebates and discounts**

Provisions for rebates, discounts and other deductions are estimated and provided for in the year of sales and recorded as reduction of revenue. Provisions for such rebates and discounts are accrued and estimated based on historical average rate actually claimed over a period of time, current contract prices with customers.

d) **Employee benefits**

Management’s estimate of the Group’s obligation is determined based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the Group’s management considers the interest rates of Government bonds. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Refer Note 40 for details of the key assumptions used in determining the accounting of these plans.

e) **Provision for inventory obsolesce**

The inventories are valued at lower of cost and net realisable value after providing for cost of obsolescence wherever considered necessary. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

f) **Warranties**

Provisions for the expected cost of warranty obligations are recognised at the time of sale of the relevant products, at the best estimate of the expenditure required to settle the Group’s obligation.

2.5 Property, Plant and Equipment and intangible

Property, Plant and Equipment (PPE) are stated at cost of acquisition or construction (including directly attributable expenses thereto), net of impairment loss if any, less depreciation/amortisation. Cost includes financing costs of borrowed funds attributable to acquisition or construction of qualifying fixed assets, up to the date the assets are put to use.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Cost of assets not ready for intended use, as on the reporting date, is shown under capital work-in-progress. Advances given towards acquisition of property, plant and equipment outstanding as at reporting date are disclosed as “other non-current assets”.

Intangible assets are initially recognised at cost.

Intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset’s economic benefits are consumed.

Expenditure pertaining to research is expensed out as and when incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the statement of profit and loss.

Depreciation/amortisation

(i) Leasehold land is amortised over the period of lease using straight-line method (SLM) and included in depreciation and amortisation in statement of profit and loss statement.

Useful lives are reviewed by the Group’s management at each reporting date and revised, if appropriate.

(ii) The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management’s best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

Such classes of assets and their estimated useful lives are as under:

No.	Nature	Estimated Useful Life
1	Buildings	5-60 Years
2	Plant and equipments	3-25 Years
3	Furniture & fixtures	3-10 Years
4	Office equipments	3-5 Years
5	Vehicles	5 Years
6	Software	3 Years

(iii) Depreciation on additions/deletions to PPE during the year is provided on pro-rata basis with reference to the date of additions/deletions except low value of items costing ₹5,000 or less which are fully depreciated in the year when the assets are put to use.

(iv) Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

(v) Intangible assets (software) are recorded at its acquisition price and amortised on the straight-line method over a period of three years.

(vi) Intangible assets acquired in business combination, include brand, consumer contracts and relationship, technology platform, content review, patents, trademarks and non-compete which are amortised on a straight-line basis over their estimated useful life which is as follows:

No.	Nature	Estimated Useful Life
1	Patents and trademarks	8.6 Years

2.6 Leases

Effective 1 January 2020, the Group has adopted Ind AS 116 Leases which introduces single accounting model and requires a lessee to recognise assets and liabilities for all leases subject to recognition exemptions. The Company adopted Ind AS 116 Leases using modified retrospective approach.

Group as a lessee

The Group’s lease asset classes primarily consist of leases for land and buildings. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.7 Impairment non-current financial assets

The carrying amounts of assets are reviewed at each reporting date to determine if there is any indication of impairment based on internal/external factors. Assessment of indication of impairment of an asset is made at the year end. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset’s net selling price and value in use. In assessing value in use, the Group measures its ‘value in use’ on the basis of estimated discounted cash flows of projections based on current prices. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset earlier.

2.8 Inventories

Inventories comprise of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials are valued at the lower of cost and net realisable value. Cost is ascertained on a moving weighted average basis, except for goods in transit which is ascertained on a specific identification basis.

Work-in-progress, finished goods and traded goods are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. In case of work-in-progress and manufactured finished goods, cost includes material, labour and production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value of work-in-progress and finished goods is determined with reference to the estimated selling price less estimated cost of completion and estimated costs necessary to make the sale of related finished goods as applicable.

Stores, spares and tools other than obsolete and slow-moving items are carried at cost.

2.9 Foreign currency transactions

Initial recognition

Foreign currency transactions are translated in the functional currency, by applying to the foreign currency amount, the exchange rate between functional currency and foreign currency prevailing at the date of transaction.

Conversion

Foreign currency monetary items as at reporting date are translated using the closing exchange rate on that date.

Exchange differences

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss in the year in which they arise, except exchange differences arising from the translation of qualifying cash flow hedge to the extent that the hedges are effective, which are recognised in Other Comprehensive Income (OCI).

2.10 Revenue recognition

Revenue from sale of goods is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group recognised revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred. The Group assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

In determining the transaction price, the Group considers below, if any:

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

Variable consideration

This includes discounts, incentives, volume rebates, etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Contract balances

Trade receivables: A receivable represents the Group’s right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract assets: Contract assets recognised in accordance with Ind AS 115, effective from 1 January 2021, shall be amortise on systematic basis that is in consistence with the transfer to customer with goods or services to which assets relates.

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

Significant payment terms

Generally, the Group provides credit period ranging from 60 to 75 days.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

2.11 Employee benefits

a) Short term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service and comprises part of compensated absences paid on annual basis.

Provision for short-term employee benefits comprise of compensated absences. These are measured on the basis of year end actuarial valuation in line with the Company’s rules for compensated absences. Remeasurement gains or losses are recognised in statement of profit and loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

b) Post-employment benefits

Defined benefit plans

All employees are covered under Employees’ Group Gratuity Scheme, which is a defined benefit plan. The Group contributes to a fund maintained with Life Insurance Company (LIC) on the basis of the year end liability determined based on actuarial valuation using the Projected Unit Cost Method. Remeasurements of the net defined benefit liability, which comprise actuarial gains/losses, return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognised in Other Comprehensive Income. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

Defined contribution plans

All other employees are covered under contributory provident fund benefit of specific percentage contribution of basic salary. Certain employees are also covered by the Group managed superannuation fund. Both are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year, when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective funds.

2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets not recorded at fair value through profit and loss) are added to the fair value of financial assets. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

With the exception of trade receivables, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed under Revenue recognition policy.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into below categories:

- Financial assets at amortised cost;
- Financial assets including derivatives at fair value through profit or loss (FVTPL)

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

- Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held within a business where the objective is to hold these assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables, loans and other financial assets.

(ii) Financial assets including derivatives at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

(iii) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through Other Comprehensive Income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding. Derivative instruments included in FVTOCI category are measured initially as well as at each reporting date at fair value. Movement in fair value is recognised in OCI.

Derecognition

A financial asset is derecognised when the right to receive cash flows from the asset has expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the

received cash flows in full without material delay to a third party and the Group has transferred substantially all risks and rewards of the asset or has transferred control of the asset to a third party. On derecognition of a financial asset in its entirety, the differences between the carrying amounts at the date of derecognition and the consideration received is recognised in the Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as measured at amortised cost or financial liabilities at fair value through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading or is a derivative or it is designated as such on initial recognition. The Group’s financial liabilities include trade payables and other payables.

Equity instruments issued by the Group are classified as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Subsequent measurement

Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Other financial liabilities such as deposits are measured at amortised cost using Effective Interest Rate (EIR) method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative instruments

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable and forecast transactions. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

in cash flow hedge reserve under OCI, net of taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in cash flow hedge reserve are reclassified to Surplus (Profit and loss balance) in the same period during which the forecasted transaction occurs.

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in cash flow hedge reserve is immediately transferred to the Statement of Profit and Loss for the period.

2.13 Income and deferred taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Indian Income Tax Act, 1961. Deferred tax is provided using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in Equity.

At each reporting date, the Group reassesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realised.

2.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit or loss for the year attributable to the equity shareholders, by the weighted average number of equity and equivalent diluted equity shares outstanding during the year except where the results would be antidilutive.

2.15 Cash and cash equivalents

Cash and cash equivalents include cheques in hand, cash at bank and deposits with banks having original maturity of not more than three months.

2.16 Fair value measurement

The Group’s accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group has an established control framework with respect to the measurement of fair values. The Group’s management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Group’s management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result from general approximation of value and the same may differ from the actual realised value. Further information about the assumptions made in measuring fair value is included in the Note 2.12 on financial instruments

2.17 Segment Reporting - Identification of Segments:

An operating segment is a component of the Group that engages in business activities from which it may earn

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

revenues and incur expenses, whose operating results are regularly reviewed by the Group’s Chief Operating Decision Maker (“CODM”) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Groups’s performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

2.18 Business combinations

The Group accounts for its business combinations under the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date

Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than the carrying amount.

2.19 Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended December 31, 2025, MCA has notified amendments as follows:

Lack of exchangeability – Amendments to Ind AS 21

MCA via notification dated 7 May 2025, announced amendments to Ind AS 21 “The Effects of Changes in Foreign Exchange Rates” to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. The amendments are not expected to have a material impact on the Group’s Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

3.1 Property plant and equipment

(₹ in million)

	Freehold land ¹	Buildings	Plant and equipments	Furniture & fixtures	Office equipments	Vehicles	Total
Gross carrying amount							
As at January 1, 2024	40.7	3,855.9	18,680.7	1,069.8	474.2	5.8	24,127.1
Add: Additions	-	233.0	7,280.3	200.2	230.3	9.0	7,952.8
Less: Disposals	-	-	75.7	30.4	93.8	-	199.9
As at December 31, 2024	40.7	4,088.9	25,885.3	1,239.6	610.7	14.8	31,880.0
Add: Additions	-	1,533.5	3,787.5	229.3	44.5	-	5,594.8
Less: Disposals	-	-	119.0	-	0.6	-	119.6
As at December 31, 2025	40.7	5,622.4	29,553.8	1,468.9	654.6	14.8	37,355.2
Accumulated depreciation							
As at January 1, 2024	-	629.8	10,828.9	549.2	266.3	1.7	12,275.9
Add: Depreciation for the year	-	162.4	2,017.1	275.9	130.0	3.2	2,588.6
Less: Deletions	-	-	71.1	27.7	89.4	-	188.2
As at December 31, 2024	-	792.2	12,774.9	797.4	306.9	4.9	14,676.3
Add: Depreciation for the year	-	191.3	2,567.9	278.9	141.5	3.5	3,183.1
Less: Deletions	-	-	75.9	-	0.6	-	76.5
As at December 31, 2025	-	983.5	15,266.9	1,076.3	447.8	8.4	17,782.9
Net Block							
As at December 31, 2024	40.7	3,296.7	13,110.4	442.2	303.8	9.9	17,203.7
As at December 31, 2025	40.7	4,638.9	14,286.9	392.6	206.8	6.4	19,572.3

Note

Buildings include ₹250, being cost of five ordinary shares of ₹50 each of Nariman Bhavan Premises Co-operative Society Limited and ₹500 being cost of ten ordinary shares of ₹50 each of Parekh Market Premises Co-Operative Society Limited, which entitle the ownership.

¹ The title deeds of immovable properties included in property plant and equipment are held in the name of the Group, except title deeds of immovable properties having gross carrying amount aggregating ₹21.3 million (2024: ₹21.3 million) and net carrying amount aggregating ₹21.3 million (2024: ₹21.3 million), is in the name of LuK India Private Limited since October 8, 2018, which have been transferred to the Group pursuant to the Schemes of Amalgamation and their title transfer proceedings are under progress.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

3.2 Right-of-use of assets¹

(₹ in million)				
	Leasehold land	Buildings	Vehicle	Total
Cost				
As at January 1, 2024	540.6	753.7	14.9	1,309.2
Add: Additions for the year	15.5	147.5	-	163.0
Less: Disposals	15.5	-	-	15.5
As at December 31, 2024	540.6	901.2	14.9	1,456.7
Less: Modification of lease term	-	57.2	-	57.2
Add: Additions for the year	-	192.3	-	192.3
Less: Disposals	-	1.5	-	1.5
As at December 31, 2025	540.6	1,034.8	14.9	1,590.3
Accumulated depreciation				
As at January 1, 2024	9.2	341.5	6.9	357.6
Add: Depreciation for the year	4.4	116.2	1.9	122.5
Less: Deletions	2.2	-	-	2.2
As at December 31, 2024	11.4	457.7	8.8	477.9
Add: Depreciation for the year	5.8	141.7	1.9	149.4
Less: Deletions	-	-	-	-
As at December 31, 2025	17.2	599.4	10.7	627.3
Net Block				
As at December 31, 2024	529.2	443.5	6.1	978.8
As at December 31, 2025	523.4	435.4	4.2	963.0

¹ Lease contracts entered by the Group majorly pertains to land and building taken on lease to conduct business activity in ordinary course of business (refer Note 46).

3.3 Capital work-in-progress

(₹ in million)	
	Total
As at January 1, 2024	4,907.7
Additions	7,544.2
Deductions	-
Assets capitalised during the year	7,960.8
As at December 31, 2024	4,491.1
Additions	4,454.6
Deductions	-
Assets capitalised during the year	5,601.1
As at December 31, 2025	3,344.6

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

Capital work-in-progress ageing schedule

(₹ in million)					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,800.1	794.4	672.6	77.5	3,344.6
Projects temporarily suspended	-	-	-	-	-
Total	1,800.1	794.4	672.6	77.5	3,344.6

There is no capital work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

Capital work-in-progress ageing schedule

(₹ in million)					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,506.0	1,741.8	204.4	38.9	4,491.1
Projects temporarily suspended	-	-	-	-	-
Total	2,506.0	1,741.8	204.4	38.9	4,491.1

There is no capital work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

3.4 Other intangible assets

(₹ in million)			
	Patents and trademarks	Software	Total
Cost			
As at January 1, 2024	799.5	57.6	857.1
Add: Additions	-	8.0	8.0
Less: Disposals	-	0.1	0.1
As at December 31, 2024	799.5	65.5	865.0
Add: Additions	-	6.3	6.3
Less: Disposals	-	-	-
As at December 31, 2025	799.5	71.8	871.3
Accumulated amortisation			
As at January 1, 2024	31.0	39.3	70.3
Add: Amortisation for the year	93.1	11.3	104.4
Less: Deletions	-	0.1	0.1
As at December 31, 2024	124.1	50.5	174.6
Add: Amortisation for the year	93.1	11.6	104.7
Less: Deletions	-	-	-
As at December 31, 2025	217.2	62.1	279.3
Net Block			
As at December 31, 2024	675.4	15.0	690.4
As at December 31,2025	582.3	9.7	592.0

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

4. Financial assets (non-current)

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
(i) Security deposits	191.7	187.5
Total	191.7	187.5
Breakup of security deposit		
Considered goods secured	-	-
Considered goods unsecured	191.7	187.5
Which have significant increase credit risk	-	-
Credit impaired	-	-
(ii) Other		
Bank deposits with remaining maturity of more than 12 months ¹	0.3	5.3
Total	0.3	5.3
Total (iii)+(iv)	192.0	192.8

¹ Includes deposits of ₹ nil million (2024: ₹ nil million) under lien.

5. Deferred tax assets (net)

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Deferred tax liabilities		
Amortisation of contract assets	80.7	70.4
Exchange loss	16.9	5.6
(A)	97.6	76.0
Deferred tax assets		
Excess of depreciation/amortisation on property, plant and equipment provided in accounts over depreciation/amortisation under tax laws	88.1	40.6
Provision for employee benefits	240.2	191.8
Provision for expenses and others	17.3	21.9
Allowance for expected credit loss	47.4	5.8
Leases	29.9	27.4
(B)	422.9	287.5
Net deferred tax assets	(B - A)	325.3

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

Movement in deferred tax assets/(liabilities) net

	(₹ in million)							
	Depreciation	Provision for employee benefits	Provision for expenses and others	Allowance for expected credit loss	Leases	Amortisation of contract assets	Exchange gain/(loss) on cash flow hedges	Total
As at January 1, 2024	65.8	175.2	25.3	5.0	23.1	(45.0)	(0.2)	249.2
(Charged)/credited to:								
Statement of Profit and Loss	(25.2)	3.8	(3.4)	0.8	4.3	(25.4)	(5.4)	(50.5)
Other Comprehensive Income	-	12.8	-	-	-	-	-	12.8
As at December 31, 2024	40.6	191.8	21.9	5.8	27.4	(70.4)	(5.6)	211.5
(Charged)/credited to:								
Statement of Profit and Loss	47.5	51.1	(4.6)	41.6	2.5	(10.3)	(11.3)	116.5
Other Comprehensive Income	-	(2.7)	-	-	-	-	-	(2.7)
As at December 31, 2025	88.1	240.2	17.3	47.4	29.9	(80.7)	(16.9)	325.3

6. Non-current income-tax assets (net)

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Advance tax recoverable (net of provisions for tax ₹2,989.8 mn, 2024: ₹2,351.2 mn)	606.1	670.0
Total	606.1	670.0

7. Other non-current assets

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
VAT, excise and others receivable (paid under protest)	61.2	46.1
Stamp duty (paid under protest, refer note no. 34 d)	250.0	250.0
Other balance with government authorities	75.7	133.3
Capital advance, considered good	344.1	314.9
Contract assets	327.9	287.2
Total	1,058.9	1,031.5

8. Inventories

(Valued at the lower of cost and net realisable value)

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Raw materials and components (including goods-in-transit ₹3,259.4 mn; 2024: ₹1,819.4 mn)	5,494.5	3,645.0
Work-in-progress	974.7	801.3
Finished goods	4,227.4	3,341.4
Stock-in-trade (including goods-in-transit ₹2,827.4 mn; 2024: ₹2,662.0 mn)	6,018.7	6,137.1
Stores and spares (including goods-in-transit ₹2.9 mn; 2024: ₹3.3 mn)	1,002.2	771.4
Total	17,717.5	14,696.2

The Group follows suitable provisioning norms for writing down the value of Inventories towards slow moving and non-moving inventory. As at December 31, 2025, provision for write-down of inventories to net realisable value is ₹1,081.0 million (2024: ₹731.7 million).

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

9. Trade receivables

(₹ in million)		
	As at December 31, 2025	As at December 31, 2024
Other than related parties ¹	13,566.2	10,792.4
From related parties (refer Note 36)	3,195.0	2,160.0
Less: Allowance for expected credit loss	(188.5)	(23.2)
	16,572.7	12,929.2
Of which;		
secured, considered good	18.8	18.6
unsecured, considered good	16,737.3	12,928.0
which have significant increase in credit risk	5.1	5.8
	16,761.2	12,952.4
Less: Allowance for expected credit loss		
secured, considered good	-	-
unsecured, considered good	(183.4)	(17.4)
which have significant increase in credit risk	(5.1)	(5.8)
	(188.5)	(23.2)
Total	16,572.7	12,929.2

¹ Includes receivables of ₹42.9 million (2024; ₹25.5 million), from private limited companies in which an Independent Director is a Director
The Group's exposure to currency risk and credit risk related to trade receivables are disclosed in Note 40 A(i) and C.

Trade receivables ageing

(₹ in million)							
Particulars	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months–1 year	1-2 years	2-3 years	> 3 years	
Undisputed Trade Receivables – considered good	16,268.1	297.0	10.9	8.3	167.8	-	16,752.1
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	2.3	2.3
Undisputed Trade Receivables – credit impaired	0.9	0.8	-	-	-	-	1.7
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	5.1	-	-	-	-	5.1
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross receivables	16,269.0	302.9	10.9	8.3	167.8	2.3	16,761.2
Less: Allowance for credit losses							(188.5)
Net receivables							16,572.7

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

As at December 31, 2024

(₹ in million)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months–1 year	1-2 years	2-3 years	> 3 years	
Undisputed Trade Receivables – considered good	12,716.8	49.1	7.4	166.9	3.8	2.6	12,946.6
Undisputed Trade Receivables – which have significant increase in credit risk ¹	-	-	0.6	0.1	0.0	-	0.7
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	5.1	-	-	5.1
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross receivables	12,716.8	49.1	8.0	172.1	3.8	2.6	12,952.4
Less: Allowance for credit losses							(23.2)
Net receivables							12,929.2

¹ Values less than ₹1 million.

10. Cash and cash equivalents

(₹ in million)		
	As at December 31, 2025	As at December 31, 2024
Cash on hand	0.1	0.3
Balances with banks:		
on current accounts	597.9	774.2
on deposit accounts (with original maturity of 3 months or less)	9,040.0	3,864.9
Total	9,638.0	4,639.4

The Group has been sanctioned an unsecured working capital limit of ₹1,550 million by banks.

11. Bank balances other than Cash and cash equivalents

(₹ in million)		
	As at December 31, 2025	As at December 31, 2024
Bank deposits with original maturity of more than 3 months and remaining maturity of less than 12 months ¹	8,803.0	8,846.6
Restricted deposits (unclaimed dividend)	15.4	14.3
Total	8,818.4	8,860.9

¹ Includes deposits of ₹156.9 million (2024: ₹156.9 million) under lien.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

12. Other current financial assets

(₹ in million)		
	As at December 31, 2025	As at December 31, 2024
(i) Security deposits	32.9	29.6
Total	32.9	29.6
Breakup of security deposit		
Considered goods secured	-	-
Considered goods unsecured	32.9	29.6
Which have significant increase credit risk	-	-
Credit impaired	-	-
(ii) Other		
Other receivables - related parties ¹ (refer Note 36)	260.5	184.7
Interest accrued - fixed deposits	134.4	319.4
Interest accrued - others	9.0	4.9
Derivative forward exchange contracts	67.4	22.4
Total	471.3	531.4
Total (i)+(ii)	504.2	561.0

¹ Other receivables primarily represent inter-company cross charges recoverable from group entities, These charges arise from the allocation of shared services, common administrative costs, operational support functions, etc.

13. Other current assets

(₹ in million)		
	As at December 31, 2025	As at December 31, 2024
Unsecured and considered good		
Balance with Government authorities	974.2	483.6
Advances for supply of goods and services	332.8	296.5
Export incentives receivable	77.9	48.0
Advances to employees	5.9	4.3
Prepaid expenses	8.7	18.0
Total	1,399.5	850.4

14. Equity share capital

(₹ in million)		
	As at December 31, 2025	As at December 31, 2024
Authorised capital		
627,500,000 equity shares of ₹2 each (2024: 627,500,000 equity shares of ₹2 each)	1,255.0	1,255.0
Total	1,255.0	1,255.0
Issued, subscribed and paid-up		
156,303,670 fully paid-up equity shares of ₹2 each (2024: 156,303,670 fully paid-up equity shares of ₹2 each)	312.6	312.6
Total	312.6	312.6

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

Details of Promoter shareholding

As at December 31, 2025				(₹ in million)
S. No.	Promoter name	Number of shares held	% of total shares	% change during the year
1	Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	27.28%	-
2	Schaeffler Bühl Verwaltungs GmbH	32,142,865	20.56%	-
3	Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	15.01%	-
4	Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	11.27%	-

As at December 31, 2024				(₹ in million)
S. No.	Promoter name	Number of shares held	% of total shares	% change during the year
1	Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	27.28%	-
2	Schaeffler Bühl Verwaltungs GmbH	32,142,865	20.56%	-
3	Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	15.01%	-
4	Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	11.27%	-

a) Reconciliation of shares outstanding at the beginning and at the end of the year:

(₹ in million)				
	As at December 31, 2025		As at December 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Shares outstanding at the beginning of the year	156,303,670	312.6	156,303,670	312.6
Shares outstanding at the end of the year	156,303,670	312.6	156,303,670	312.6

b) Rights, preferences and restrictions attached to equity shares:

The Group has a single class of equity shares having par value of ₹2 per share. Accordingly, all equity shares rank equally with regard to one vote per share held. The dividends proposed by the Board of directors is subject to the approval of shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Group, the equity shareholders are eligible to receive assets of the Group, after distribution of all preferential amounts, in the proportion to their shareholding.

c) Shares held by ultimate holding company and/or their fellow subsidiaries:

(₹ in million)				
	As at December 31, 2025		As at December 31, 2024	
	No. of Shares held (of ₹2 each)	Amount	No. of Shares held (of ₹2 each)	Amount
Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	85.3	42,645,915	85.3
Schaeffler Bühl Verwaltungs GmbH	32,142,865	64.3	32,142,865	64.3
Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	46.9	23,462,255	46.9
Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	35.2	17,612,200	35.2
Total	115,863,235	231.7	115,863,235	231.7

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

d) Particulars of shareholders holding more than 5% shares of a class of shares:

	As at December 31, 2025		As at December 31, 2024	
	No. of Shares held	% of shareholding	No. of Shares held	% of shareholding
Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	27.28%	42,645,915	27.28%
Schaeffler Bühl Verwaltungs GmbH	32,142,865	20.56%	32,142,865	20.56%
Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	15.01%	23,462,255	15.01%
Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	11.27%	17,612,200	11.27%

e) The Group in aggregate has not issued, any equity shares allotted as fully paid up pursuant to contract without consideration received in cash, bonus shares issued and shares bought back during the period of 5 years immediately preceding the financial year.

15. Other equity

	As at December 31, 2025	As at December 31, 2024
Capital reserve	617.8	617.8
(A)	617.8	617.8
Securities premium	600.0	600.0
(B)	600.0	600.0
General reserve	4,218.4	4,218.4
(C)	4,218.4	4,218.4
Retained earnings		
At the commencement of the year	47,595.5	42,304.7
Add: Net profit for the year	11,503.5	9,388.6
Remeasurements of defined benefit liability/asset (net of tax) (FVTOCI)	8.3	(40.1)
Add: Change of inventory valuation	-	6.2
Less: Appropriations		
Dividends paid	4,376.5	4,063.9
(D)	54,730.8	47,595.5
Total (A+B+C+D)	60,167.0	53,031.7

The following dividends were declared and paid by the Holding Company during the year:

	As at December 31, 2025	As at December 31, 2024
₹28 per equity share of face value of ₹2/- each (2024: ₹26 per equity share of face value of ₹2/- each)	4,376.5	4,063.9
	4,376.5	4,063.9

After the reporting dates, the following dividends were proposed by the Board of Directors of the Holding Company subject to the approval at the ensuing annual general meeting and hence, dividends have not been disclosed as liabilities.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

	As at December 31, 2025	As at December 31, 2024
Dividend of ₹35 per equity share of face value of ₹2/- each (2024: ₹28 per equity share of face value ₹2/- each)	5,470.6	4,376.5

16. a) Lease liabilities (non-current)

	As at December 31, 2025	As at December 31, 2024
Lease liabilities (refer Note 46)	406.2	434.3
Total	406.2	434.3

b) Lease liabilities (current)

	As at December 31, 2025	As at December 31, 2024
Lease liabilities (refer Note 46)	140.5	121.0
Total	140.5	121.0

17. Other financial liabilities (non-current)

	As at December 31, 2025	As at December 31, 2024
Employee liabilities	120.0	118.6
Security deposits from customers/suppliers	23.7	25.1
Total	143.7	143.7

18. Provisions (non-current)

	As at December 31, 2025	As at December 31, 2024
Provision for other statutory matters (being litigated) ¹	12.0	12.0
Provision for warranties	1.6	14.5
Total	13.6	26.5

¹ Provisions are made for ongoing litigation on tax and regulatory matters, the liabilities for which will be ascertained on conclusion of the respective assessments.

19. Trade payables

	As at December 31, 2025	As at December 31, 2024
Total outstanding dues of micro and small enterprises	1,251.1	778.6
Total outstanding dues of creditors other than micro and small enterprises		
Other than related parties	7,039.4	4,499.6
Related parties (refer note 36)	8,535.3	6,002.6
Total	16,825.8	11,280.8

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 38.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

Trade Payables Ageing

As at December 31, 2025

(₹ in million)

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	< 1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed dues of micro enterprises and small enterprises	19.2	1,183.9	23.5	13.8	10.7	1,251.1
Undisputed dues of creditors other than micro enterprises and small enterprises	859.3	14,631.5	18.0	10.5	55.4	15,574.7
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	878.5	15,815.4	41.5	24.3	66.1	16,825.8

As at December 31, 2024

(₹ in million)

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	< 1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed dues of micro enterprises and small enterprises	-	756.8	11.8	2.6	7.4	778.6
Undisputed dues of creditors other than micro enterprises and small enterprises	428.3	10,008.2	15.7	14.2	35.8	10,502.2
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	428.3	10,765.0	27.5	16.8	43.2	11,280.8

20. Other current financial liabilities

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
Employee liabilities	863.3	581.3
Creditors for capital goods		
Other than related parties	342.2	502.7
Related parties (refer note 36)	847.0	764.6
Accrued expense	127.6	121.9
Unclaimed dividends ¹	15.4	14.3
Other payables	12.0	8.6
Total	2,207.5	1,993.4

21. Other current liabilities

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
Advances from customers	120.1	76.1
TDS payable	155.2	108.4
GST Payable	172.6	181.7
Other statutory dues	29.9	89.0
Total	477.8	455.2

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

22. Provisions (current)

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
Provision for employee benefits		
Compensated absences	653.6	628.0
Gratuity (refer Note 40)	296.8	130.4
Provision for contingent incentive ¹	50.0	-
Other provisions		
Provision for warranties ²	56.8	32.2
Total	1,057.2	790.6

¹ This represents probable employee incentive contingent upon fulfillment of performance based criteria by end of FY 2025-26.

² Warranty provision is estimated for expected warranty claims in respect of eligible products sold during the year by the Group, which usually carry a warranty period ranging from 12 to 24 months from the date of sale. The provision is determined based on the historical data. The timing and amount of cashflows will determined on receipt of claims.

Additional disclosures relating to certain provisions (as per Ind AS 37)

(₹ in million)

Warranties	As at December 31, 2025	As at December 31, 2024
At the commencement of the year	46.7	63.4
Provision made during the year	53.2	69.3
Provision utilised during the year	(41.5)	(86.0)
At the end of the year	58.4	46.7

23. Revenue from operations

(₹ in million)

	For the year ended December 31, 2025	For the year ended December 31, 2024
Revenue from Contract with Customer		
Sale of products		
Manufactured goods	73,154.7	60,178.7
Traded goods	22,241.5	20,814.7
	95,396.2	80,993.4
Sale of services	103.9	152.5
Other operating revenues		
Export incentives	330.5	286.3
Scrap sales	1,020.7	883.0
Other	7.2	8.6
Total	96,858.5	82,323.8

The management determines the information reported under Note 42 and 45 reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue and geographical segment under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

24. Other income

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest income from financial assets at amortised cost		
On fixed deposits	937.9	857.8
On loan and others	52.6	32.8
Provisions no longer required written-back	-	-
Other income ¹	449.4	269.3
Gain on account of foreign exchange fluctuations (net)	42.9	20.7
Profit on sale/retirement of assets (net)	-	2.4
Total	1,482.8	1,183.0

¹ Other income includes interest received on income tax refund ₹39.4 (2024 ₹3.1). Income below 1% of revenue from operation is aggregated in accordance with Schedule III to the Companies Act, 2013.

25. Cost of materials consumed¹

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Inventory of raw materials at the beginning of the year	3,645.0	3,766.8
Purchases	42,252.2	32,766.3
Inventory of raw materials at the end of the year	5,494.5	3,645.0
Total	40,402.7	32,888.1

¹ The consumption amounts shown above have been ascertained on the basis of raw materials consumed and after considering excess/shortages ascertained on physical verification.

26. Purchases of stock-in-trade

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Purchase of traded goods	19,863.7	20,245.6
Total	19,863.7	20,245.6

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

27. Changes in inventories of finished goods, stock in trade and work-in progress¹

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
(Increase)/Decrease in inventory of finished goods		
Opening inventory	3,341.4	3,387.3
Less: Closing inventory	4,227.4	3,341.4
(A)	(886.0)	45.9
Decrease/(Increase) in inventory of traded goods		
Opening inventory	6,137.1	4,715.4
Less: Closing inventory	6,018.7	6,137.1
(B)	118.4	(1,421.7)
(Increase) in inventory of work-in-progress		
Opening inventory	801.3	612.7
Less: Closing inventory	974.7	801.3
(C)	(173.4)	(188.6)
Total (A + B + C)	(941.0)	(1,564.4)

¹ Closing inventory is net off scrapped/reworked items and shortages/excesses.

28. Employee benefits expense

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Salaries, wages and incentives	5,031.4	4,598.9
Contributions to: (refer Note 40)		
- Provident and other funds	266.9	245.3
- Gratuity fund	301.9	75.6
- Superannuation fund	33.2	33.3
Compensated absences	83.0	141.6
Staff welfare expenses	370.0	327.1
Total	6,086.4	5,421.8

29. Finance costs

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest and finance charges on lease liability	39.5	34.5
Bank and other financial charges	12.7	9.1
Total	52.2	43.6

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

30. Depreciation and amortisation expense

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Depreciation on property, plant and equipment (refer Note 3.1)	3,183.1	2,588.6
Depreciation of right of use of assets (refer Note 3.2)	149.4	122.5
Amortisation of intangible assets (refer Note 3.4)	104.7	104.4
Total	3,437.2	2,815.5

31. Other expenses

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Consumption of stores and spare parts	3,807.6	2,960.3
Power and fuel	1,215.6	1,067.3
Freight, clearing and forwarding	1,088.1	869.4
Rent	44.0	25.1
Repairs and maintenance		
Building	20.8	20.7
Machinery	58.3	44.6
Others	242.9	197.4
Insurance	121.1	116.4
Rates and taxes	62.4	121.4
Travelling expenses	316.7	279.6
Legal and professional fees	366.9	107.9
Payments to auditors (refer note below)	11.6	9.2
Fees for use of technology (refer Note 36)	1,898.5	1,560.1
Software license fees & other IT related cost	800.7	671.2
Advertising and sales promotion	228.1	141.6
Bank charges	1.6	5.1
Telephone and other communication expenses	32.2	32.0
Printing and stationery	36.0	24.1
Provision for doubtful debts	165.4	0.5
Bad debts written off	0.3	0.1
Loss on sale/retirement of assets (net)	30.9	-
Warranty costs	53.2	69.3
Outside services	2,958.4	2,368.1
Corporate Social Responsibility expenditure	247.2	215.6
Miscellaneous expenses	86.8	36.6
Less: Capitalised for own consumption	(78.8)	(64.5)
Total	13,816.5	10,879.1

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

	(₹ in million)	
Note: Payments to auditors	For the year ended December 31, 2025	For the year ended December 31, 2024
As auditors		
- Statutory audit	3.4	3.1
- Limited review	6.5	5.2
- Out of pocket expense ¹	0.2	0.0
- Other services	1.5	0.9
Total	11.6	9.2

¹ Values less than ₹1 million.

32. Income tax expense

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Tax expense		
(a) Current tax		
Current tax on profit during the year	4,224.1	3,312.5
Tax in respect of prior years	12.4	27.4
Total current tax expense	4,236.5	3,339.9
(b) Deferred tax		
Deferred tax (credit)/expense attributable to origination and reversal of temporary differences	(116.4)	49.0
Total tax expense	4,120.1	3,388.9
Reconciliation of tax expenses and the accounting profit multiplied by tax rate		
Profit before tax	15,623.6	12,777.5
Current tax at the Indian tax rate of 25.17%	3,932.5	3,216.1
Tax adjustments of earlier years	12.4	27.4
Effect of non deductible expenses	175.2	145.4
Tax expense recognised in Statement of Profit and Loss	4,120.1	3,388.9
Tax impact recognised in Other Comprehensive Income (OCI)		
Remeasurement of defined benefits obligation	(2.7)	12.8
Total	(2.7)	12.8

33. Earnings Per Share (EPS)

	(₹ in million)	
	For the year ended December 31, 2025	For the year ended December 31, 2024
a) Amount used as the numerator		
Profit after tax attributable to equity shareholders (₹ in mn)	11,503.5	9,388.6
b) Weighted average number of equity shares used as the denominator (Nos.)	156,303,670	156,303,670
c) Nominal value of share (in ₹)	2.0	2.0
d) Earnings per share (Basic and Diluted) (in ₹)	73.6	60.1

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

34. Contingent liabilities not provided for in respect of:

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Claims against the Group not acknowledged as debts:		
a) Employees and ex-employees related matters:		
(i) Matters pending in labour court/civil court/High Court for reinstatement of service/recovery of salary, PF and ESIC matters	161.7	123.2
(ii) Demand for discontinuing of contract system and for differential wages	50.5	97.9
	212.2	221.1
b) (i) Sales-tax		
For non receipt of C Forms and non acceptance of Group’s claim of certain sales as exempt sales in respect of various assessment years	25.3	25.3
(ii) Excise duty and Service tax:		
In respect of matters decided against the Group, for which the Group is in appeal with higher authorities	212.0	213.0
	237.3	238.3
c) Income tax:		
i) In respect of matters decided against the Group, for which the Group is in appeal with higher authorities	177.9	206.2
	177.9	206.2
In respect of above matters, it is not practicable for the Group to estimate the closure of these issues and consequential timing of cash flows, if any		
d) Others:		
Demand notice for stamp duty on Order of Hon’ble National Group Law Tribunal, Mumbai Bench, approving the Scheme of Amalgamation of INA Bearings India Private Limited and LuK India Private Limited with the Group, for which the Group is in appeal with higher authorities	250.0	250.0
	250.0	250.0

35. Commitments

	(₹ in million)	
	As at December 31, 2025	As at December 31, 2024
Contracts on capital account:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance ₹344.1 mn; 2024: ₹314.9 mn)	2,359.8	2,953.1

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

36. Related Party disclosures as required under Ind AS-24 are given below:

- 1) Name and nature of relationship of the related party where control exists:
The ultimate control lies with INA Holding Schaeffler GmbH & Co. KG, Germany.
- 2) Names of the Related Parties having transactions with the Group during the year.

For the year ended December 31, 2025	For the year ended December 31, 2024
Ultimate holding Company	Ultimate holding Company
INA Holding Schaeffler GmbH & Co. KG, Germany	INA Holding Schaeffler GmbH & Co. KG, Germany
Fellow subsidiaries	Fellow subsidiaries
Schaeffler Australia Pty Ltd., Australia	Schaeffler Australia Pty Ltd., Australia
Schaeffler Austria GmbH, Austria	Schaeffler Austria GmbH, Austria
Schaeffler Brasil Ltda., Brasil	Schaeffler Brasil Ltda., Brasil
Schaeffler Canada Inc., Canada	Schaeffler Canada Inc., Canada
Schaeffler (China) Co., Ltd., China	Schaeffler (China) Co., Ltd., China
Schaeffler (Nanjing) Co., Ltd., China	Schaeffler Trading (Shanghai) Co., Ltd., China
Schaeffler (Ningxia) Co., Ltd., China	Schaeffler (Ningxia) Co., Ltd., China
Schaeffler (Xiangtan) Co., Ltd., China	Schaeffler Friction Products (Suzhou) Co., Ltd., China
Schaeffler Friction Products (Suzhou) Co., Ltd., China	Schaeffler (Nanjing) Co., Ltd., China
Schaeffler Smart Machinery (Taicang) Co., Ltd., China	Schaeffler (Xiangtan) Co., Ltd., China
Schaeffler Trading (Shanghai) Co., Ltd., China	Schaeffler Smart Machinery (Taicang) Co., Ltd., China
Schaeffler France SAS, France	Schaeffler Middle East FZE., Dubai
Schaeffler Aerospace Germany GmbH & Co. KG., Germany	Schaeffler Danmark ApS., Denmark
Schaeffler AG., Germany	Schaeffler France SAS., France
Schaeffler Automotive Buehl GmbH & Co. KG., Germany	WPB Water Pump Bearing GmbH & Co. KG, Germany
Schaeffler Digital Solutions GmbH, Germany	Schaeffler Technologies AG & Co. KG, Germany
Schaeffler Engineering GmbH, Germany	Schaeffler Automotive Buehl GmbH & Co. KG, Germany
Schaeffler Friction Products GmbH, Germany	Schaeffler Vehicle Lifetime Solutions Germany GmbH & Co. KG., Germany (formerly Schaeffler Automotive Aftermarket GmbH & Co. KG.)
Schaeffler Industrial Remanufacturing Services AG & Co. KG., Germany	Schaeffler AG, Germany
Schaeffler Sondermaschinenbau AG & Co. KG., Germany	Schaeffler Friction Products GmbH, Germany
Schaeffler Technologies AG & Co. KG., Germany	Schaeffler Engineering GmbH, Germany
Schaeffler Ultra Precision Drives GmbH, Germany	Schaeffler Digital Solutions GmbH, Germany
Schaeffler Vehicle Lifetime Solutions Germany GmbH & Co. KG., Germany	Schaeffler Ultra Precision Drives GmbH, Germany
WPB Water Pump Bearing GmbH & Co. KG., Germany	Schaeffler Sondermaschinenbau AG & Co. KG, Germany
Schaeffler Hong Kong Company Limited, Hong Kong	Schaeffler Schweinfurt Beteiligungs GmbH, Germany
Schaeffler Debrecen Kft., Hungary	Schaeffler Bühl Verwaltungs GmbH, Germany
Schaeffler Savaria Kft., Hungary	Schaeffler Verwaltungsholding Sechs GmbH, Germany
Schaeffler Special Machinery Kft., Hungary	Industriewerk Schaeffler INA-Ingenieurdienst GmbH, Germany
Schaeffler Iberia, S.L.U., Iberia	Schaeffler Hong Kong Company Limited, Hong Kong
Schaeffler Digital Solutions India Private Limited, India	Schaeffler Savaria Kft., Hungary
Schaeffler Global Services India Private Limited, India	Schaeffler Debrecen Kft., Hungary
Schaeffler Technology Solutions India Private Limited, India	Schaeffler Technology Solutions India Pvt. Limited, India
Vitesco Technologies India Private Limited, India	Vitesco Technologies India Private Limited, India

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

For the year ended December 31, 2025	For the year ended December 31, 2024
PT. Schaeffler Solutions Indonesia., Indonesia	PT. Schaeffler Solutions Indonesia., Indonesia (formerly Schaeffler Bearings Indonesia, PT.,)
Schaeffler Italia S.r.l., Italy	Schaeffler Water Pump Bearing Italia S.r.l., Italy
Schaeffler Water Pump Bearing Italia S.r.l., Italy	Schaeffler Italia S.r.l., Italy
Schaeffler Japan Co., Ltd., Japan	Schaeffler Japan Co., Limited, Japan
Schaeffler Ansan Corporation, Korea	Schaeffler Ansan Corporation, Korea
Schaeffler Korea Corporation, Korea	Schaeffler Korea Corporation, Korea
Schaeffler Special Machinery Corporation, Korea	Schaeffler Special Machinery Corporation, Korea
Schaeffler (Malaysia) Sdn. Bhd., Malaysia	Schaeffler (Malaysia) Sdn. Bhd., Malaysia (formerly Schaeffler Bearings (Malaysia) Sdn. Bhd.,)
Schaeffler Mexico, S. de R.L. de C.V., Mexico	Schaeffler Transmisión, S. de R.L. de C.V., Mexico
Schaeffler Transmisión, S. de R.L. de C.V., Mexico	Schaeffler Automotive Aftermarket Mexico, S. de R.L. de C.V., Mexico
Schaeffler Vehicle Lifetime Solutions Mexico, S. de R.L. de C.V., Mexico	Schaeffler Mexico, S. de R.L. de C.V., Mexico
Schaeffler Smart Maintenance Tools B.V., Netherlands	Schaeffler Smart Maintenance Tools B.V., Netherlands (formerly BEGA International B.V.,)
Schaeffler Special Machinery Netherlands B.V., Netherlands	Schaeffler Special Machinery Netherlands B.V., Netherlands (formerly Radine B.V.,)
Schaeffler Philippines Inc., Philippines	Schaeffler Philippines Inc., Philippines
Schaeffler Vehicle Lifetime Solutions Poland Spolka z.o.o., Poland	Schaeffler Portugal, Unipessoal, Lda., Portugal
Schaeffler Portugal, Unipessoal, Lda., Portugal	Schaeffler Romania S.R.L., Romania
Schaeffler Romania S.R.L., Romania	Schaeffler (Singapore) Pte. Ltd., Singapore
Vitesco Technologies Romania S.R.L., Romania	Schaeffler Kysuce, spol. s r.o., Slovakia
Schaeffler (Singapore) Pte. Ltd., Singapore	Schaeffler Production CZ s.r.o., Slovakia
Schaeffler Kysuce, spol. s r.o., Slovakia	Schaeffler Skalica, spol. s r.o., Slovakia
Schaeffler Skalica, spol. s r.o., Slovakia	Schaeffler Special Machinery, spol. s r.o., Slovakia
Schaeffler Special Machinery, spol. s r.o., Slovakia	Schaeffler Iberia, S.L.U., Spain
Schaeffler South Africa (Pty.) Ltd., South Africa	Schaeffler South Africa (Pty.) Ltd., South Africa
Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand	Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand
Vitesco Technologies (Thailand) Co., Ltd., Thailand	Schaeffler (UK) Limited, UK
Schaeffler (UK) Limited, UK	Schaeffler Vehicle Life Time Solutions UK Limited, UK (Formerly Schaeffler Automotive Aftermarket (UK), Limited, UK)
Schaeffler Vehicle Lifetime Solutions UK Limited, UK	Schaeffler Group USA, Inc., USA
Schaeffler Group USA, Inc., USA	Schaeffler Special Machinery LLC., USA
Schaeffler Special Machinery LLC., USA	Schaeffler Vietnam Co., Ltd., Vietnam
Schaeffler Transmission Systems, LLC., USA	
Schaeffler Vehicle Lifetime Solutions USA LLC., USA	
Schaeffler Vietnam Co., Ltd., Vietnam	
Key Management Personnel	Key Management Personnel
Mr. Harsha Kadam, Managing Director	Mr. Harsha Kadam, Managing Director
Ms. Hardevi Vazirani, Director Finance and CFO	Ms. Hardevi Vazirani, Director Finance and CFO (w.e.f. February 13, 2024)
	Mr. Satish Patel, Director Finance and CFO (up to February 12, 2024)

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

3) Transactions with related parties during the year:				
(₹ in million)				
Nature of transactions	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Total
Purchase of finished goods	-	14,674.8	-	14,674.8
	-	(15,227.3)	-	(15,227.3)
Purchase of raw materials and components and spares	-	11,655.6	-	11,655.6
	-	(9,008.6)	-	(9,008.6)
Purchase of property, plant and equipments	-	1,420.4	-	1,420.4
	-	(2,220.0)	-	(2,220.0)
Fees for use of technology/trademark	-	1,890.2	-	1,890.2
	-	(1,555.6)	-	(1,555.6)
Travelling, training, testing, support fee and other cost	-	1,110.1	-	1,110.1
	-	(512.3)	-	(512.3)
Dividend for the year - 2024	-	3,244.2	-	3,244.2
	-	(3,012.1)	-	(3,012.1)
SAP, other IT systems and connectivity cost	-	791.9	-	791.9
	-	(663.8)	-	(663.8)
Expat cost	-	20.7	-	20.7
	-	(15.5)	-	(15.5)
Commission on guarantee - other cost	-	1.9	-	1.9
	-	(2.3)	-	(2.3)
Sale of finished goods	-	13,163.7	-	13,163.7
	-	(9,797.7)	-	(9,797.7)
Sale of property, plant and equipments	-	-		-
	-	(15.1)		(15.1)
Reimbursement of expenses	-	428.8	-	428.8
	-	(260.7)	-	(260.7)
Service income	-	26.0	-	26.0
	-	(13.6)	-	(13.6)
Managerial remuneration ¹	-	-	65.9	65.9
	-	-	(59.6)	(59.6)
Short-term employee benefits	-	-	54.6	54.6
	-	-	(49.5)	(49.5)
Long-term employee benefits	-	-	11.3	11.3
	-	-	(10.1)	(10.1)

¹ In the case of present key management personnel, remuneration does not include gratuity and leave encashment benefits which are determined for the Group as a whole.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

4) Balances outstanding as at 31 December 2025:

(₹ in million)	
Nature of Transaction	Subsidiaries/Fellow subsidiaries
Trade receivables	
Schaeffler Technologies AG & Co. KG, Germany	1,465.2
	(834.1)
Schaeffler Group USA, Inc., USA	368.5
	(287.8)
Schaeffler Trading(Shanghai) Co. Ltd; China	337.9
	(361.0)
Others	1,023.5
	(677.1)
2025	3,195.1
2024	(2,160.0)
Trade payables	
Schaeffler Technologies AG & Co. KG, Germany	5,669.9
	(4,546.7)
Schaeffler (China) Co., Ltd., China	1,483.7
	(478.6)
Others	1,380.1
	(977.3)
2025	8,533.7
2024	(6,002.6)
Other receivables	
Schaeffler Technologies AG & Co. KG, Germany	61.1
	(50.2)
Schaeffler Technology Solutions India Pvt. Limited, India	44.8
	(21.5)
Vitesco Technologies India Pvt. Limited, India	26.7
	-
Others	127.9
	(113.0)
2025	260.5
2024	(184.7)
Creditors for Capital goods	
Schaeffler Technologies AG & Co. KG, Germany	442.4
	(259.7)
Schaeffler Austria GmbH., Austria	129.7
	-
Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand	112.1
	-
Others	162.8
	(504.9)
2025	847.0
2024	(764.6)

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

5) The material related party transactions are as under:

(₹ in million)		
Nature of Transactions	Subsidiaries/Fellow subsidiaries	Amount
Purchase of finished goods	Schaeffler Technologies AG & Co. KG, Germany	10,499.2
		(11,482.6)
	Schaeffler (China) Co. Ltd., China	2,328.0
		(1,378.8)
Purchase of raw material and components and spares	Schaeffler Technologies AG & Co. KG, Germany	5,624.9
		(4,897.5)
	Schaeffler (China) Co. Ltd., China	3,153.0
		(1,551.2)
	Schaeffler Friction Products (Suzhou) Co., Ltd., China	1,462.9
		(1,093.4)
Purchase of property, plant and equipments	Schaeffler Technologies AG & Co. KG, Germany	598.8
		(1,008.1)
	Schaeffler Sondermaschinenbau AG & Co. KG, Germany	269.8
		(94.4)
Sale of finished goods	Schaeffler Technologies AG & Co. KG, Germany	5,352.9
		(3,798.1)
	Schaeffler Trading(Shanghai) Co. Ltd., China	1,742.0
		(1,458.5)
Sale of property, plant and equipments	Schaeffler Technology Solutions India Pvt. Limited, India	-
		(15.1)
Fees for use of technology/ trademark	Schaeffler Technologies AG & Co. KG, Germany	1,890.2
		(1,555.6)
SAP, other IT systems and connectivity cost	Schaeffler Technologies AG & Co. KG, Germany	791.9
		(663.8)
Travelling, training, testing, support fee and other cost	Schaeffler Technologies AG & Co. KG, Germany	592.8
		(227.5)
Expat cost	Schaeffler Technologies AG & Co. KG, Germany	20.7
		(15.2)
Commission on guarantee - other cost	Schaeffler AG, Germany	1.9
		(2.3)
Reimbursement of expenses	Schaeffler Technologies AG & Co. KG, Germany	78.9
		(42.8)
	Schaeffler Korea Corporation, Korea	47.3
		(38.6)
	Schaeffler (Singapore) Pte. Ltd., Singapore	58.0
		(34.9)
	Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand	54.1
		(13.7)

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

(₹ in million)		
Nature of Transactions	Subsidiaries/Fellow subsidiaries	Amount
Service income	Schaeffler Technologies AG & Co. KG, Germany	16.1
		(8.4)
	Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand	3.3
		(1.8)
	Schaeffler Vehicle Lifetime Solutions Poland Spolka z.o.o, Poland	3.3
		-
Managerial remuneration	Mr. Harsha Kadam	48.0
		(43.1)
	Ms. Hardevi Vazirani	17.9
		(14.3)
	Mr. Satish Patel	-
		(2.2)
Dividend paid	Schaeffler Schweinfurt Beteiligungs GmbH, Germany	1,194.1
		(1,108.6)
	Schaeffler Bühl Verwaltungs GmbH, Germany	900.0
		(835.5)
	Schaeffler Verwaltungsholding Sechs GmbH, Germany	656.9
		(610.0)
	Industriewerk Schaeffler INA-Ingenieurdienst GmbH, Germany	493.2
		(458.0)

Amounts in brackets represents previous year amounts.

Terms and conditions with related parties;

Names and details of fellow subsidiaries and subsidiary having transaction value in excess of 10% in line transactions during the year.

The sales to and purchases from related parties including fixed Assets and other expenses are made in the normal course of business and on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at the year-end are unsecured and interest free.

Sales made to/purchases made from and other transactions with related parties are on the same terms as applicable to third parties in an arm’s length transaction and in the ordinary course of business. The Group mutually negotiates and agrees prices, discount and payment terms with the related parties by benchmarking the same to transactions with non-related parties. Trade receivables and Trade payables outstanding balances are unsecured and require settlement in cash. No guarantee or other security has been received/given against these receivables/payables. All related party transactions executed by the Group are at arm’s length and in ordinary course of business.

37. Derivative instruments:

The Group’s exposure to foreign currency fluctuations relates to foreign currency assets, liabilities and forecasted cash flows. The Group limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives like forward contracts. The Group has entered into foreign currency forward contracts, majority having maturity of less than one year from reporting date, to hedge its risks associated with foreign currency fluctuations relating to such highly probable transactions. The currencies in which these transactions are mainly denominated is in US Dollars, CNY and Euro.

Outstanding derivative instruments					
Category	Currency hedged	As at December 31, 2025		As at December 31, 2024	
		Notional amount in foreign currency	Equivalent amount (₹ in mn)	Notional amount in foreign currency	Equivalent amount (₹ in mn)
Forward exchange contracts					
(to hedge highly probable import payables)	USD	21,608,300	1,942.8	17,425,948	1,492.1
	EUR	4,435,000	468.8	5,000,000	445.0
	CNY	85,130,000	1,095.2	48,950,000	574.2

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

The Group holds the following instruments to hedge exposures to changes in foreign currency:

Category	Maturity		As at December 31, 2024	
	1-6 months	6-12 months	1-6 months	6-12 months
Foreign currency risk				
Forward exchange contracts				
Net exposure (₹ in mn)	2,372.5	1,134.3	1,426.9	1,084.3
Average ₹: USD forward contract rate	89.4	91.1	84.6	85.9
Average ₹: EUR forward contract rate	101.8	107.9	92.6	91.6
Average ₹: CNY forward contract rate	12.7	13.1	11.9	12.1

Foreign currency exposures as at December 31, 2025:			
Particulars	Currency	Amount in foreign currency	Equivalent amount (₹ in mn)
Trade Payables	USD	35,213,321.5	3,166.0
		(21,548,345.0)	(1,845.0)
	EUR	2,743,498.0	290.0
		(2,326,648.9)	(207.1)
	CHF	6,646.0	0.8
		(6,195.4)	(0.6)
	JPY	21,843,412.0	12.5
		(5,335,516.0)	(2.9)
	GBP	1,048.8	0.1
		-	-
	CNY	43,037,810.1	553.7
		(13,864,496.3)	(162.6)
Trade Receivables	USD	20,273,350.1	1,822.7
		(16,530,296.8)	(1,415.4)
	EUR	633,706.3	67.0
		(566,609.7)	(50.4)
Bank balance in EEFC accounts	USD	4,798,448.0	431.4
		(4,098,158.2)	(350.9)
	EUR	2,913.8	0.3
		(325,061.4)	(28.9)

Amounts in brackets represents previous year numbers.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

The Group's exposure to foreign currency risk at the end of reporting period are as follows:

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
Financial assets		
Trade receivables		
USD	1,822.7	1,415.4
EUR	67.0	50.4
Bank Balances in EEFC account		
USD	431.4	350.9
EUR	0.3	28.9
Total Exposure to foreign currency assets	2,321.4	1,845.6

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
Financial liabilities		
Trade payables		
USD	3,166.0	1,845.0
EUR	290.0	207.1
CHF	0.8	0.6
JPY	12.5	2.9
GBP	0.1	-
CNY	553.7	162.6
Total Exposure to foreign currency liabilities	4,023.1	2,218.2

38. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- market risk [refer 38 (A) below]
- liquidity risk [refer 38 (B) below]
- credit risk [refer 38 (C) below]

In the course of its business, the Group is exposed primarily to aforesaid risks, which may impact the fair value of its financial instruments. The Group has a risk management system which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as credit risks. The risk management strategy is approved by Board of Directors which is implemented by the Group's management. The risk management framework aims to create a stable business planning environment by reducing the impact of market related risks, credit risks and currency fluctuations on the Group's earnings. The risks identified through the risk management system are analysed and evaluated by the Group's management and reported to the Board of Directors periodically along with report of planned mitigation measures.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

A) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollars, Euro, Swiss Franc, Japanese Yen, Pound and Yuan. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (Indian Rupees).

The Group has import and export transactions in foreign currencies. Imports are higher than exports and hence the Group has foreign currency exposure to the extent of imports being higher than exports. The risk of foreign currency fluctuation is mitigated through hedging. Please refer Note 37 for details of foreign currency exposure.

The Group's exposure to foreign currency risk at the end of reporting period are as follows:

Foreign Currency Sensitivity

The following table demonstrates sensitivity to a reasonable possible change in major foreign currencies like USD, EUR, CHF, JPY, GBP and CNY with all other variables held constant:

(₹ in million)

		Effect on Profit Before Tax	
		As at December 31, 2025	As at December 31, 2024
USD	+5%	(45.6)	(3.9)
	-5%	45.6	3.9
EUR	+5%	(11.1)	(6.4)
	-5%	11.1	6.4
CHF	+5%	(0.0)	(0.0)
	-5%	0.0	0.0
JPY	+5%	(0.6)	(0.1)
	-5%	0.6	0.1
GBP	+5%	(0.0)	0.0
	-5%	0.0	0.0
CNY	+5%	(27.7)	(8.1)
	-5%	27.7	8.1

(ii) Interest rate risk

Interest rate risk exposure: The Group does not have interest bearing borrowings and interest rate risk is towards opportunity cost on investment in tax free bonds. Surplus funds are being invested in bank deposits at fixed interest rates and the tenure is managed to match with the Group's liquidity profile.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

B) Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and cash flows generated from operations. The Group regularly monitors actual cash flows and forecasts to ensure that the Group maintains sufficient liquidity to meet the operation needs.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows (except lease liabilities refer note 46 (7)) at the balance sheet date:

(₹ in million)

	Carrying amount	Less than 12 months	More than 12 months	Total
As at December 31, 2025				
Financial liabilities				
Lease liabilities	546.7	140.5	406.2	546.7
Trade payables	16,825.8	16,825.8	-	16,825.8
Security deposits from customers/suppliers	23.7	-	23.7	23.7
Employee liabilities	983.3	863.3	120.0	983.3
Creditors for capital goods	1,189.2	1,189.2	-	1,189.2
Accrued expense	127.6	127.6	-	127.6
Unclaimed dividends	15.4	15.4	-	15.4
Other payables	12.0	12.0	-	12.0
As at December 31, 2024				
Financial liabilities				
Lease liabilities	555.3	121.0	434.3	555.3
Trade payables	11,280.8	11,280.8	-	11,280.8
Security deposits from customers/suppliers	25.1	-	25.1	25.1
Employee liabilities	699.9	581.3	118.6	699.9
Creditors for capital goods	1,267.3	1,267.3	-	1,267.3
Accrued expense	121.9	121.9	-	121.9
Unclaimed dividends	14.3	14.3	-	14.3
Other payables	8.6	8.6	-	8.6

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

C) Credit Risk

Credit risk is the unexpected loss in financial instruments if the counter parties fail to discharge its contractual obligations in entirety and timely. The Group is exposed to credit risks arising from its operating and financing activities such as trade receivables, loans and advances and other financial instruments. The carrying amounts of financial assets represent the maximum credit exposure.

Trade receivables

Credit risk on trade receivables is limited due to the Group's diversified customer base which includes public sector enterprises and reputed private corporates. For trade receivables, the Group computes expected credit loss allowance based on provision matrix which is prepared considering customer's industry segment and historically observed overdue rate over expected life of trade receivables ranging from 0.02% to 1.10%, except for a few customers where specific provisions are being created. The expected credit loss allowance is considered as a percentage of net receivable position.

(₹ in million)

	As at December 31, 2025		As at December 31, 2024	
	Less than 6 months	More than 6 months	Less than 6 months	More than 6 months
Gross carrying amount	16,571.9	189.3	12,765.9	186.5
Allowance for expected credit loss	(19.0)	(169.5)	(16.6)	(6.6)
Carrying amount of trade receivables (net)	16,552.9	19.8	12,749.3	179.9

Reconciliation of expected credit loss allowance is as follows:

(₹ in million)

As at January 1, 2025	23.2
Movement in expected credit loss allowance	165.3
As at December 31, 2025	188.5

Financial assets other than trade receivables

Credit risk on cash and cash equivalents, bank balances other than cash and cash equivalents is limited as the Group generally invests in deposits with banks which have high credit rating assigned by external agencies. Credit risk on loans given to subsidiaries are assessed for credit risk based on the underlying valuation of the entity and their ability to repay within the contractual repayment terms. Based on the Group’s historical experience, the credit risk on other financial assets is low.

39. Capital management

For the purpose of Group's capital management, capital includes equity share capital and all other reserves attributable to equity shareholders. The Group has a long-term strategy of pursuing profitable growth. Capital is managed proactively to secure the existence of the Group as a going concern in the long-term and create financial flexibility for profitable growth in order to add value to the Group. A further aim of the capital management is to ensure long-term availability of liquidity, maintain strong credit ratings and ensure optimal capital structure in order to support the business through continuing growth and maximising shareholders' value. The Group funds its operations through internal accruals and the Management along with the Board of Directors regularly monitor the returns on capital as well as dividend levels to shareholders.

The amounts managed as capital by the Group for the reporting period under review are summarised as follows:

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
Total equity	60,479.6	53,344.3
Cash and cash equivalents	(9,638.0)	(4,639.4)
Capital	50,841.6	48,704.9
Total equity	60,479.6	53,344.3
Lease Liabilities	546.7	555.3
Overall financing	61,026.3	53,899.6
Capital to overall financing ratio	0.83	0.90

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

40. Employee benefits:

A) Post employment benefit plans

Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Superannuation Fund which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to ₹266.9 million (2024: ₹245.3 million) and contribution to superannuation fund for the year aggregated to ₹33.2 million (2024: ₹33.3 million).

Defined benefit plans

The Group has defined benefit plans that provide gratuity benefit. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month’s salary for each year of completed service at the time of retirement/exit. The Scheme is funded by the plan assets. The expected contribution to the plan next year is ₹100.0 million (2024: ₹50.0 million).

The following table summarises the position of assets and obligations

	Gratuity	
	As at December 31, 2025	As at December 31, 2024
Present value of funded obligations	1,316.4	1,041.5
Fair value of plan assets	1,019.6	911.1
Liability recognised in balance sheet	296.8	130.4

Classification into current/non-current

The liability in respect of each of the plans comprises of the following non-current and current portions:

	Gratuity	
	As at December 31, 2025	As at December 31, 2024
Non-current liability	-	-
Current liability	296.8	130.4
Total	296.8	130.4

Movement in present values of defined benefit obligations:

	Gratuity	
	As at December 31, 2025	As at December 31, 2024
Opening defined benefit obligation	1,041.5	936.5
Service cost	83.3	69.9
Past service cost (refer Note 40 (B))	210.0	-
Interest cost	64.7	60.8
Actuarial (gains)/losses recognised in Other Comprehensive Income due to:		
Change in assumptions	10.2	64.2
Demographic assumptions	(1.2)	-
Experience changes	(5.5)	-
Benefits paid	(86.6)	(89.9)
Closing defined benefit obligation	1,316.4	1,041.5

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

Movement in fair value of plan assets:

	Gratuity	
	As at December 31, 2025	As at December 31, 2024
Opening fair value of plan assets	911.1	831.2
Return on plan assets recognised in other comprehensive income	14.5	11.3
Interest on plan assets	56.1	55.1
Contributions by employer	124.5	103.4
Benefits paid	(86.6)	(89.9)
Closing fair value of plan assets	1,019.6	911.1

Expense recognised in the Statement of Profit and Loss:

	Gratuity	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Current service cost	83.3	69.9
Interest on net defined benefit liability	8.6	5.7
Past service cost (refer Note 40 (B))	210.0	-
Total included in Employee benefits expense	301.9	75.6

Remeasurements recognised in other comprehensive income

	Gratuity	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Actuarial loss on defined benefit obligation	3.5	64.2
Return on plan assets excluding interest income	(14.5)	(11.3)
Currency effects - OCI from DBO	-	-
	(11.0)	52.9

Principal actuarial assumptions at the balance sheet date

	Gratuity			
	2025 (Holding Company)	2025 (Subsidiary Company)	2024 (Holding Company)	2024 (Subsidiary Company)
Discount rate per annum as at December 31	6.7%	6.8%	6.8%	6.8%
Expected return per annum on plan assets as at December 31	7.7%	0.0%	8.0%	0.0%
Future salary increment	6.5%	7.0%	6.5%	7.0%
Retirement age	58 Years	60 Years	58 Years	60 Years
Mortality	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ultimate
Attrition rate	6%-13%	10%	6%-13%	10%
The weighted-average duration of the defined benefit obligation (in years)	7.16	8.48	6.83	16.77

Note: The estimates of future salary increases, considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

Sensitivity Analysis

The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points:

Holding Company	As at December 31, 2025		As at December 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (100 bps movement on DBO)	(6.72%)	7.65%	(6.41%)	7.29%
Salary escalation rate (100 bps movement on DBO)	6.86%	(6.40%)	7.24%	(6.49%)

Subsidiary Company	As at December 31, 2025		As at December 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (100 bps movement on DBO)	(7.92%)	9.12%	(12.50%)	10.44%
Salary escalation rate (100 bps movement on DBO)	8.99%	(7.96%)	11.62%	(10.18%)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses. Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these not calculated.

The major categories of plan assets are as follows

	As at December 31, 2025		
	Quoted	Unquoted	Total
Insurer managed funds (Life Insurance Corporation)	-	1,017.3	1,017.3
Others	-	2.3	2.3

Maturity profile of defined benefit obligations:

Year	As at December 31, 2025	As at December 31, 2024
Year 1	247.8	216.3
Year 2	130.8	125.3
Year 3	135.6	96.0
Year 4	113.6	101.0
Year 5	112.2	80.2
Year 6	92.9	83.8
Year 7	88.0	65.6
Year 8	94.9	65.8
Year 9	91.8	70.1
Year 10 and above	1,251.8	940.0

Characteristics of defined benefit plans and risks associated with them:

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks in providing the above benefit plans which are as follows:

- (i) Interest Rate Risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

- (ii) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- (iii) Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- (iv) Investment Risk: The Group has funded with well established Govt. of India undertakings & other IRDA approved agencies and therefore, there is no material investment risk.

B) Past service cost:

On November 21, 2025, the Government of India notified the four Labour Codes – the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 – consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Group has assessed and disclosed the incremental impact of these changes on the basis of the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. The incremental impact consisting of gratuity of ₹210.0 million primarily arising due to change in wage definition has been recognised as employee benefit expenses in the current reporting period. The Group continues to monitor the finalisation of Central/State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

41. Financial instruments

A) Accounting classifications

The following tables show the carrying amount/fair values of financial assets and financial liabilities:

Financial instruments category	Carrying value/Fair value	
	As at December 31, 2025	As at December 31, 2024
Financial Assets		
a) Measurement at amortised cost:		
Trade receivables	16,572.7	12,929.2
Cash and cash equivalents	9,638.0	4,639.4
Bank balances other than cash and cash equivalents	8,818.4	8,860.9
Loans	-	-
Security deposits	191.7	187.5
Other financial assets	437.1	543.9
Total	35,657.9	27,160.9
b) Measurement at fair value through profit and loss:		
Derivative forward exchange contracts	67.4	22.4
Total Financial Assets	35,725.3	27,183.3
Financial Liabilities		
a) Measurement at amortised cost:		
Trade payables	16,825.8	11,280.8
Other financial liabilities	2,351.2	2,137.1
Lease liabilities	546.7	555.3
Total Financial Liabilities	19,723.7	13,973.2

The carrying amounts of all financial instruments are not materially different from their fair values, since these are of short term nature.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

B) Fair value hierarchy

The following table provides quantitative disclosures of fair value measurement hierarchy of financial instruments as referred above:

December 31, 2025 (₹ in million)				
	Level 1	Level 2	Level 3	2025
Financial Assets				
Trade receivables	-	-	16,572.7	16,572.7
Cash and cash equivalents	-	-	9,638.0	9,638.0
Bank balances other than cash and cash equivalents	-	-	8,818.4	8,818.4
Security deposits	-	-	191.7	191.7
Other financial assets	-	67.4	437.1	504.5
Total	-	67.4	35,657.9	35,725.3
Financial Liabilities				
Trade payables	-	-	16,825.8	16,825.8
Other financial liabilities	-	-	2,351.2	2,351.2
Lease liabilities	-	-	546.7	546.7
Total	-	-	19,723.7	19,723.7
December 31, 2024 (₹ in million)				
	Level 1	Level 2	Level 3	2025
Financial Assets				
Trade receivables	-	-	12,929.2	12,929.2
Cash and cash equivalents	-	-	4,639.4	4,639.4
Bank balances other than cash and cash equivalents	-	-	8,860.9	8,860.9
Security deposits	-	-	187.5	187.5
Other financial assets	-	22.4	543.9	566.3
Total	-	22.4	27,160.9	27,183.3
Financial Liabilities				
Trade payables	-	-	11,280.8	11,280.8
Other financial liabilities	-	-	2,137.1	2,137.1
Lease liabilities	-	-	555.3	555.3
Total	-	-	13,973.2	13,973.2

Valuation techniques and significant unobservable inputs

- Specific valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments include:
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
 - All financial assets and liabilities referred in Level 3 are measured at amortised cost, their carrying amount are reasonable approximation of their fair value
 - There have been no transfers between Level 1, Level 2 and Level 3 for the year ended December 31, 2025 and 2024.
 - The fair value of investment in subsidiary has been estimated by discounting expected cash flows.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

42. Segment reporting

- (i) Information about business segments:
- As per 'Ind AS 108 - Operating Segments', the Group has reported segment information under two segments i.e 1) Mobility components and related solutions and 2) Others.

(₹ in million)		
Particulars	As at December 31, 2025	As at December 31, 2024
(A) Segment Revenue (Net revenue/income)		
Mobility components and related solutions ¹		
Automotive Technologies	31,372.7	25,179.4
Vehicle Lifetime Solutions	14,303.2	11,723.9
Bearings & Industrial Solutions	20,479.8	19,100.2
Intercompany Exports & Others ²	9,314.0	6,940.9
Sub total (a)	75,469.7	62,944.4
Others		
Automotive Technologies	-	-
Vehicle Lifetime Solutions	-	-
Bearings & Industrial Solutions	16,385.5	15,524.4
Intercompany Exports & Others ²	5,003.3	3,855.0
Sub total (b)	21,388.8	19,379.4
(c) Total Revenue		
Automotive Technologies	31,372.7	25,179.4
Vehicle Lifetime Solutions	14,303.2	11,723.9
Bearings & Industrial Solutions	36,865.3	34,624.6
Intercompany Exports & Others ²⁾	14,317.3	10,795.9
Revenue from operations (a + b)	96,858.5	82,323.8
(B) Segment Results (Profit before unallocable income, finance costs and tax)		
Mobility components and related solutions	9,954.3	8,019.0
Others	4,238.7	3,619.1
Total profit before unallocable income, finance costs and tax	14,193.0	11,638.1
Less: Finance cost	52.2	43.6
Add: Unallocable Income	1,482.8	1,183.0
Profit before tax	15,623.6	12,777.5
(C) Segment assets		
Mobility components and related solutions ³⁾	52,913.8	46,090.9
Others	7,777.7	6,625.2
Unallocated	21,435.3	16,113.1
Total assets	82,126.8	68,829.2
(D) Segment liabilities		
Mobility components and related solutions	15,151.8	10,727.5
Others	3,831.8	2,724.2
Unallocated	2,663.6	2,033.2
Total liabilities	21,647.2	15,484.9
(E) Net capital employed	60,479.6	53,344.3

¹ As a result of the CODM's review mechanism, within segment "Mobility components and related solutions" there have been products/ business reclassification within Automotive Technologies, Vehicle Lifetime Solution and Bearings & Industrial Solutions

² Intercompany Export & Others mainly include exports to group companies, scrap sales and other operating income

³ Property, plant and equipment (PPE) of the Group is predominantly used for 'Mobility components and related solutions' and hence has been disclosed as a segment asset under that reportable segment.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

(ii) Secondary segment information

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and outside India. In presenting the geographical information, segment revenue has been based on geographical location of customers and segment assets which have been based on the geographical location of the assets.

(a) Revenues

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
India	82,805.2	71,756.9
Outside India	14,053.3	10,566.9
Total	96,858.5	82,323.8

(b) Non-current assets¹

(₹ in million)

	As at December 31, 2025	As at December 31, 2024
India	26,959.2	25,887.8
Outside India	-	-
Total	26,959.2	25,887.8

¹ Non-current assets exclude financial instruments, deferred tax assets, post employment benefit assets and rights arising under insurance contracts, if any.

(c) Customers accounted individually more than 10% of the revenue 2025 none (2024: none).

43. Research and development expenses under the respective heads aggregate to ₹1,017.5 million (2024: ₹1,070.4 million) including capital nature ₹39.8 million (2024: ₹67.6 million).

(₹ in million)

	As at December 31, 2025				As at December 31, 2024			
	Maneja, Savli (Vadodara)	Talegaon (Pune)	Hosur	Total	Maneja, Savli (Vadodara)	Talegaon (Pune)	Hosur	Total
Revenue expenses on research and development included under various heads of expenditure	404.0	316.8	256.9	977.7	445.8	315.2	241.8	1,002.8
Capital expenses on research and development capitalised along with other Fixed assets	35.6	1.6	2.6	39.8	43.8	17.0	6.8	67.6
Total	439.6	318.4	259.5	1,017.5	489.6	332.2	248.6	1,070.4

44. The tax year for the Group being the year ending March 31, 2026, provision for taxation for the year ended December 31, 2025 is aggregate of provision made for three months ended March 31, 2025 and provision based on amounts for remaining nine months ended December 31, 2025, the ultimate tax liability of which will be determined on the basis of figures for the fiscal year April 1, 2025 to March 31, 2026.

The Group's international transactions with associated enterprises are at arm's length, as per the independent accountant's report for the year ended March 31, 2025. The Management believes that the Group's international transactions with associated enterprises post March 31, 2025 continue to be at arm's length and that transfer pricing legislations will not have any impact on the Ind AS financial statements, particularly on the amount of tax expenses for the year and the amount of provision for taxation at the year end.

In the year 2019, the Group elected to exercise the option permitted under section 115BAA of the Income-tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from April 1, 2019. Accordingly, the Group has

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

recognised provision for Income Tax and deferred tax expenses for the twelve months ended December 31, 2019 on the basis of estimated annual effective income tax rate.

45. Revenue (Ind AS 115)

The Group is involved in manufacturing and distribution of bearings, engine systems and transmission components, chassis applications, clutch systems and other automotive parts. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery.

A. Contract balances

(₹ in million)

Particulars	As at December 31, 2025	As at December 31, 2024	As at January 1, 2024
Trade Receivable (refer Note 9)	16,572.7	12,929.2	10,555.9
Contract Assets (refer Note 7)	327.9	287.2	185.9
Contract Liabilities (Advance from customers) (refer Note 21)	120.1	76.1	50.6

B. Reconciliation of revenue as per contract price and as recognised in statement of profit and loss

(₹ in million)

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Revenue as per Contract price	96,776.8	82,062.8
Less: Incentives and rebates	1,068.7	830.1
Less: Discounts	311.9	239.3
Revenue as per statement of profit and loss	95,396.2	80,993.4

46. Leases

1. Practical expedients applied

- Applied discount rate based Incremental borrowing rate as per portfolio of leases of similar assets in similar economic environment with a similar period
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

2. The Group's significant leasing/licensing arrangements are mainly in respect of residential/office premises. Leases generally have a lease term ranging from 12 months to 120 months. Most of the leases are renewable by mutual consent on mutually agreeable terms.

3. Movement in Lease Liability:

(₹ in million)

Particulars	As at December 31, 2025	As at December 31, 2024
At the commencement of the year	555.3	511.0
(Deletions)/Adjustments	(95.6)	19.0
Additions during the year	192.3	163.0
Payments made during the year¹	(105.3)	(137.7)
Closing Balance	546.7	555.3

¹ Total cash outflow for leases for current financial year 2025 is ₹105.3 (2024: ₹137.7)

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

Amounts recognised in the Statement of Profit and Loss
The statement of profit and loss shows the following amounts relating to lease:

(₹ in million)

Particulars	For the year ended December 31, 2025	For the year ended December 31, 2024
Depreciation charge on right-of-use assets (refer Note 30)	149.4	122.5
Interest expense (refer Note 29)	39.5	34.5
Expense relating to short-term leases/leases of low-value assets (refer Note 31)	44.0	25.1
Total	232.9	182.1

4. Right-of-use assets by class of assets is as follows.

(₹ in million)

Particulars	Gross Block				Amortisation				Net Block	
	As at Jan 1, 2025	Modification of lease term	Additions	Deductions	As at Dec 31, 2025	As at Jan 1, 2025	For the Year	Deductions	As at Dec 31, 2025	As at Dec 31, 2025
Leasehold land	540.6	-	-	-	540.6	11.4	5.8	-	17.2	523.4
Buildings	901.2	57.2	192.3	1.5	1,034.8	457.7	141.7	-	599.4	435.4
Vehicle	14.9	-	-	-	14.9	8.8	1.9	-	10.7	4.2
Total (ii)	1,456.7	57.2	192.3	1.5	1,590.3	477.9	149.4	-	627.3	963.0

5. Finance costs include interest expense amounting to ₹39.5 million (2024: ₹34.5 million) on lease liability accounted in accordance with Ind AS 116 "Leases".
6. Rent expense in Note No. 31 Represents lease charges for short term leases.
7. Lease liabilities

The table provides details regarding contractual liabilities of lease liabilities on an undiscounted basis:

(₹ in million)

Particulars	As at December 31, 2025	As at December 31, 2024
Undiscounted future cash outflows		
Not later than 1 year	111.6	93.1
Later than 1 year and not later than 5 years	482.4	516.6
Later than 5 years	35.3	49.5

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

8. The Group's leasing activities by type of Right of Use assets recognised in the consolidated balancesheet as at December 31, 2025:

(₹ in million)

Right of Use	No. of Right of Use assets leased	Range of remaining term	Average remaining term
Leasehold Land	3	73-95 years	56 years
Buildings	30	1-7 years	1 years
Vehicle	1	2-3 years	2 years

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

47. Additional information pursuant to Para 2 of Part III General instructions for the preparation of consolidated financial statements, for a company required to comply with Ind AS

a) As at and for the year ended 31 December 2025

(₹ in million)

Name of the entity	Country of Incorporation	% of voting power	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss for the year		Share in Other Comprehensive Income/ (loss) for the year		Share in Total Comprehensive Income/ (loss) for the year	
			% of consolidated net assets	Amount	% of consolidated Profit	Amount	% of consolidated Other Comprehensive Income	Amount	% of consolidated total Comprehensive income	Amount
Holding Company										
Schaeffler India Limited			102%	61,426.9	104%	11,962.5	95%	7.9	104%	11,970.4
Subsidiaries - Indian										
KRSV Innovative Auto Solutions Private Limited	India	100%	-2%	(954.5)	-5%	(594.7)	5%	0.4	-5%	(594.3)
Total				60,472.4		11,367.8		8.3		11,376.1
Add/(Less): Inter company elimination and consolidation adjustment				7.2		135.7		-		135.7
Total			100%	60,479.6	100%	11,503.5	100%	8.3	100%	11,511.8

b) As at and for the year ended 31 December 2024

(₹ in million)

Name of the entity	Country of Incorporation	% of voting power	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss for the year		Share in Other Comprehensive Income/ (loss) for the year		Share in Total Comprehensive Income/ (loss) for the year	
			% of consolidated net assets	Amount	% of consolidated Profit	Amount	% of consolidated Other Comprehensive Income	Amount	% of consolidated total Comprehensive income	Amount
Holding Company										
Schaeffler India Limited			101%	53,833.0	103%	9,776.7	99%	(39.6)	103%	9,737.1
Subsidiaries - Indian										
KRSV Innovative Auto Solutions Private Limited	India	100%	-1%	(360.2)	-3%	(295.0)	1%	(0.5)	-3%	(295.5)
Total				53,472.8		9,481.7		(40.1)		9,441.6
Add/(Less): Inter company elimination and consolidation adjustment				(128.5)		(93.1)		-		(93.1)
Total			100%	53,344.3	100%	9,388.6	100%	(40.1)	100%	9,348.5

- (i) The contribution of Holding and subsidiaries are considered based on the financial statements of respective entities without considering elimination and consolidation adjustments.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

48. Goodwill

A. Summary of acquisition

- i) The Board of Directors of the Company on August 28, 2023 had approved acquisition of 100% shares 1,204,758 of ₹10/- each of KRSV Innovative Auto Solutions Private Limited (in the following Koovers") for a total purchase consideration of ₹1,424.0 million in 100% cash consideration. Schaeffler india Limited has completed the above acquisition by acquiring 100% shareholding of Koovers on September 8, 2023 in cash consideration. Consequently, Koover's has become a subsidiary of the Company and has been identified as a Cash-Generating Unit (CGU).

Koovers offers spare parts solution to Indian Automotive aftermarket workshops via B-to-B e-commerce platform. The acquisition is in line with Schaeffler India's strategic initiatives for growth and provides a synergy potential. It will be a key enabler for the aftermarket ecosystem, including distribution partner and help to play an important role in the fast growing and evolving aftermarket digital landscape.

B. Goodwill movement

(₹ in million)		
Particulars	As at December 31, 2025	As at December 31, 2024
As at January 1	822.3	822.3
Movement during the year	-	-
As at December 31	822.3	822.3

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGUs or Groups of CGUs, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the CGU’s level.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use, both of which are calculated by the Group using a discounted cash flow analysis. These calculations use pre tax cash flow projections over a period of five years, based on financial budgets approved by the management. For calculation of the recoverable amount, the Group has used the following rates:

(₹ in million)		
Particulars	As at December 31, 2025	As at December 31, 2024
Growth Rate	5.0%	5.0%
Discount Rate	20.0%	20.5%

The above discount rate is based on the weighted average cost of capital of the Company or Group. These estimates are likely to differ from future actual results of operations and cash flows.

An analysis of sensitivity of the computation to a change in key parameters (growth rate and discount rate) based on reasonably probable assumptions, did not identify any probable scenario in which recoverable amount of the CGU would decrease below its carrying amount.

As at December 31, 2025 and December 31, 2024, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

The growth rates are based on Industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports.

C. Other information

- i) The Group does not have Non-controlling interest.
- ii) Goodwill recognised on acquisition is not expected to be deductible for income tax purposes.

49. Other Statutory Information

1. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
2. The Group does not have any transactions with companies struck off during the current or previous financial year.
3. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4. The Group has not traded or invested in Crypto currency or Virtual Currency during the current or previous financial year.
5. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

Notes to the Consolidated Financial Statements

for the year ended December 31, 2025

- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

6. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
7. The Group does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year current or previous financial year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
8. The Group has not been declared a willful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
9. The Group has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
10. The Group has not revalued its property, plant and equipment or intangible asset during the current or previous financial year.
11. The Group has complied with the number of layers prescribed under the Companies Act, 2013.

50. Audit trail compliance

The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021, requiring companies which use accounting software for maintaining its books of account to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account, along with the date when such changes were made and thereby ensuring that the audit trail cannot be disabled. The Holding Company uses SAP as ERP, which has an embedded feature of recording audit trail (edit logs) functionality and was operating throughout the year, except at the database level. However, the company has adequate mechanisms in form of security audit logging, review of change activities and access rights authorisation review in place. The audit trail feature was enabled for its subsidiary company at application and database level throughout the year. Further, the Holding Company and its subsidiary have complied with the retention of the audit trail records as statutorily required and the audit trail feature is not tampered with in respect of accounting software, where such feature is enabled.

51. Subsequent events

The Group evaluated all events or transactions that occurred after December 31, 2025 up through February 24, 2026, the date the consolidated financial statements were approved for issue by the Board of Directors. Based on this evaluation, the Group is not aware of any events or transactions that would require recognition or disclosure in the consolidated financial statements.

52. The figures for the previous year have been regrouped/reclassified wherever necessary to correspond with current year classification/disclosure, to make them comparable. The impact of such reclassification/regrouping is not material to the financial statements.

53. The consolidated financial statement are approved for issued by the Board of Directors in their meeting held on February 24, 2026.

As per our report of even date attached For Walker Chandiok & Co LLP Chartered Accountants Firm's Registration No: 001076N/N500013		For and on behalf of the Board of Directors	
Khushroo B. Panthaky Partner Membership No: 042423	E.V.Sumithasri Chairperson DIN: 07087197	Harsha Kadam Managing Director DIN: 07736005	Hardevi Vazirani Director - Finance & CFO DIN: 10212814
Place: Mumbai Date: February 24, 2026	Place: Bengaluru Date: February 24, 2026	Ashish Tiwari VP - Legal & Company Secretary	

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiary of the Company

Schaeffler India Limited has one Wholly Owned Subsidiary namely KRSV Innovative Auto Solutions Private Limited (‘Koovers’).

The statement containing salient features of the financial statement of Koovers is as under:

₹ in Million			
Sr. No.	Particulars	Details	
1.	Name of the Subsidiary	KRSV Innovative Auto Solutions Private Limited (‘Koovers’)	
2.	The date since when subsidiary was acquired	September 8, 2023	
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period ¹	- April 1, 2025 to December 31, 2025 - January 1, 2026 onwards	
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	
	Particulars	From April 1, 2024 to March 31, 2025	From April 1, 2025 to December 31, 2025
5.	Share Capital	9.4	9.4
6.	Reserves and surplus	(486.3)	(963.9)
7.	Total assets	969.7	728.0
8.	Total Liabilities	969.7	728.0
9.	Investments	-	-
10.	Turnover	1,981.2	2,272.5
11.	Profit/(Loss) before taxation	(370.1)	(483.1)
12.	Provision for taxation (Deferred tax (credit))	(6.4)	(5.8)
13.	Profit/(Loss) after taxation	(363.7)	(477.3)
14.	Proposed Dividend	-	-
15.	Extent of shareholding (in percentage)	100%	100%

¹ The Hon’ble office of Regional Director of Hyderabad has approved the change of Financial Year (FY) of Koovers as follows:

- 1. The transitional FY from April 1, 2025 to December 31, 2025
- 2. Adoption of new FY (Calendar Year) from January 1, 2026 onwards

Names of subsidiaries which are yet to commence operations: Not Applicable

Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

Multi-year comparison - Standalone

Income statement	Unit	Chart	2025	2024	2023	2022	2021
Reevenue	₹ million	1	93,953.2	80,762.9	72,261.3	68,674.2	55,605.1
EBITDA ¹	₹ million		18,376.1	14,968.7	13,527.5	13,076.5	9,949.8
EBITDA Margin	%		19.6%	18.5%	18.7%	19.0%	17.9%
EBIT ¹	₹ million	1	15,088.5	12,281.1	11,336.6	11,011.9	7,978.7
EBIT Margin	%	1	16.1%	15.2%	15.7%	16.0%	14.3%
Earnings before tax ¹	₹ million		16,120.2	13,174.7	12,283.9	11,620.6	8,431.4
Earnings after tax	₹ million	2	11,962.5	9,776.7	9,090.3	8,792.1	6,291.2
EPS	₹	2	76.5	62.6	58.2	56.3	40.3
Statement of financial position							
Share Capital	₹ million		312.6	312.6	312.6	312.6	312.6
Share holder's equity	₹ million		61,426.9	53,833.0	48,153.6	42,859.0	36,536.7
Total assets	₹ million		82,574.9	68,981.2	62,689.9	57,267.2	48,962.7
Statement of cash flows							
Cash flow from operating activities	₹ million		13,425.2	8,843.2	9,000.3	7,505.3	4,646.7
Cash flow from Investing activities (Capex net)	₹ million	5	(4,536.5)	(7,405.4)	(5,189.3)	(4,193.8)	(1,825.9)
Cash flow from Financing activities	₹ million		1,121.3	801.4	809.4	457.4	456.3
Free cash flow before cash in-and outflows for M&A activities ²	₹ million	3	10,010.0	2,239.2	4,620.4	3,768.9	3,277.1
Current ratio	Times		2.6	2.9	2.9	2.8	2.9
Value based management							
Capital employed	₹ million		61,863.9	54,325.3	48,713.7	43,364.5	37,090.5
Average capital employed	₹ million		58,094.6	51,519.5	46,039.1	40,227.5	34,743.0
Return on capital employed	%		26.0%	23.8%	24.6%	27.4%	23.0%
Shareholders							
Number of Shareholders ³	No.		69,046	76,970	70,695	56,872	22,214
Number of shares ⁴	No.		156,303,670	156,303,670	156,303,670	156,303,670	156,303,670
Dividend per share	₹	4	35.0	28.0	26.0	24.0	16.0
Dividend	₹ million		5,470.6	4,376.5	4,063.9	3,751.3	2,500.9
Closing share price ⁵	₹		3,885.3	3,405.5	3,202.2	2,744.5	1,758.1
Market Capitalisation	₹ million		607,278.8	532,292.1	500,515.6	428,975.4	274,795.9
Net Worth	₹ million	6	61,426.9	53,833.0	48,153.6	42,859.0	36,536.7
Employess							
Employee no.	No.		3,826	3,605	3,383	3,190	2,922

¹ Before exceptional items.

² Free cash flow: Cash flow from operating activities less net capex add interest income (net).

³ Number of shareholders not clubbed based on unique Permanent Account Number.

⁴ Values are restated at face value of ₹2/- per equity share.

⁵ Closing share price as on December 31, 2025

Notice of AGM

To,
The Members
Schaeffler India Limited

Notice is hereby given that the 63rd Annual General Meeting of **SCHAEFFLER INDIA LIMITED** (‘the Company’) will be held on Thursday, April 30, 2026 at 3:30 pm IST through Video Conferencing (‘VC’)/Other Audio Visual Means (‘OAVM’) to transact the following businesses:

Ordinary Business

- To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements including Balance Sheet as at December 31, 2025 and the Statement of Profit and Loss for the year ended on that date together with Directors’ Report and Auditors’ Report thereon.
- To declare Dividend on Equity Shares for the financial year ended December 31, 2025.
- To appoint a Director in place of Jens Schöler (DIN: 10422738), who retires by rotation and being eligible offers himself for re-appointment.
- To appoint Price Waterhouse, Chartered Accountants LLP (Firm Registration Number: 012754N/N500016) as the Statutory Auditors for a term of 5 (Five) consecutive years and authorise Board of Directors to fix their remuneration.

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to provisions of Section 139 of the Companies Act, 2013 read with the rules made thereunder including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and pursuant to the recommendations of Audit Committee and Board of Directors of the Company, Price Waterhouse, Chartered Accountants LLP [Firm Registration Number: 012754N/N500016], who have confirmed their eligibility for appointment, be and are hereby appointed as the Statutory Auditors of the Company for a term of five consecutive years i.e., to

hold office from conclusion of this 63rd Annual General Meeting up to the conclusion of 68th Annual General Meeting of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 including any modification(s) or amendment thereof, the Board of Directors of the Company be and are hereby authorised to decide and fix the remuneration of Price Waterhouse, Chartered Accountants LLP, (Firm Registration Number: 012754N/N500016), as Statutory Auditors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things, necessary and expedient to give effect to the resolution.”

Special Business

- To ratify remuneration of the Cost Auditors.

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹275,000/- (Rupees Two Lakhs Seventy-Five Thousand Only) excluding all taxes and reimbursement of out of pocket expenses to M/s. Y. S. Thakar & Co., Cost Accountants having Firm Registration No. 000318, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending December 31, 2026, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things, necessary and expedient to give effect to the resolution.”

By Order of the Board

Bengaluru
February 24, 2026

Schaeffler India Limited

Registered Office : 15th Floor, ASTP (Amar Sadanand Tech Park), Baner, Pune, Maharashtra, India, 411 045

CIN : L29130PN1962PLC204515
Phone : +91-20-68198400
E-mail : investorsupport.in@schaeffler.com
Website : www.schaeffler.co.in

Ashish Tiwari
VP-Legal & Company Secretary

Notes:

- The Ministry of Corporate Affairs (‘MCA’) vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, 02/2021 dated 13th January, 2021, 19/2021 dated 8th December, 2021, 21/2021 dated 14th December, 2021, 02/2022 dated 5th May, 2022, 10/2022 dated 28th December, 2022, and General Circular No. 09/2023 dated September 25, 2023, 09/2024 dated September 19, 2024, and General Circular No. 03/2025 dated September 22, 2025(collectively referred to as “MCA Circulars”), allowed to hold the Annual General Meeting (AGM) through Video Conferencing (VC)/Other Audio Visual Means (OAVM). In compliance with the provisions of the Companies Act, 2013 (‘Act’), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and MCA Circulars, the 63rd AGM of the Company is being held through VC/OAVM. The deemed venue for the 63rd AGM shall be the Registered Office of the Company.
- In terms of the MCA Circulars, the physical attendance of Members has been dispensed with and there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice. As per the MCA Circulars, Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Since the AGM will be held through VC/OAVM, the Route Map does not form part of the Notice.

Institutional/Corporate Members are requested to send a scanned copy (PDF/JPEG format) of the Board Resolution authorising its representatives to attend the AGM and vote on the Resolutions as set out in this Notice through remote e-voting, pursuant to Section 113 of the Companies Act, 2013, at investorsupport.in@schaeffler.com.
- In compliance with the aforesaid MCA Circulars and SEBI Circular No SEBI/HO/CFD/CFD-PoD- 2/P/ CIR/2023/167 dated October 07, 2023, and SEBI Circular No SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2024/133 dated October 3, 2024, Notice of the AGM along with the Integrated Annual Report 2025 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice along with Integrated Annual Report 2025 has been disclosed on the website of the Company at www.schaeffler.co.in and also available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and on the website of NSDL at www.evoting.nsdl.com. The physical copy of the Integrated Annual Report 2025 will be sent to the Shareholders based on the specific request received.

As per Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’), as amended, a letter containing the web-link, including the exact path, where complete details of the Integrated Annual Report are available, is being sent to all the Shareholders who have not registered their Email IDs with the Company

or Depository Participants or MUFG Intime India Private Limited, Registrar to an issue and Share Transfer Agent (RTA) of the Company.

- The Dividend on Equity shares as recommended by the Board of Directors and if declared at the AGM, will be paid within the statutory time limit of 30 (Thirty) days or as per the prescribed legal requirements, as under:
 - To all beneficial owners in respect of shares held in dematerialised form as per the data made available by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on April 23, 2026.
 - To all Members in respect of shares held in Physical Form as per the Register of Members of the Company on the close of business hours on April 23, 2026.
- In terms of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (Seven) years from the date of its transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (‘IEPF’) established by the Central Government. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2018 onwards, are requested to lodge their claims with the Company or with the Registrar and Share Transfer Agent (‘RTA’) of the Company at the earliest.
- Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of Shareholders w.e.f. April 1, 2020 and Company is required to deduct tax at source on payment of dividend at the prescribed rates. The Shareholders are requested to refer the Finance Act, 2020 and amendments thereof for prescribed rates for various categories of Shareholders. The Company shall send the e-mail in this regard to all the Shareholders whose e-mail id is registered with RTA or Depository Participant.
- Attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time (‘IEPF Rules’), which inter alia requires the Company to transfer the Equity Shares, on which the dividend has remained unpaid or unclaimed for a continuous period of 7 (Seven) years, to IEPF. The said shares, once transferred to IEPF, can be claimed after following due procedure prescribed under the IEPF Rules.
- The Statement of Dividend amount remained unclaimed or unpaid for 7 (Seven) consecutive years and Shares due for transfer to IEPF shall be placed on the website of the Company at <https://www.schaeffler.co.in/en/>; Members are therefore requested to approach MUFG Intime India Private Limited, Registrar to an issue and & Share Transfer Agent (RTA) of the Company to claim their unpaid dividend, if any. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, and further amendment vide Notification No. SEBI/LAD- NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities shall be processed in dematerialized form only,

- effective from April 1, 2019. Therefore, the Members are requested to take prompt action to dematerialize the Equity Shares of the Company.
9. As per SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, and SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91 dated June 23, 2025, SEBI has mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024.
- Further, SEBI through notification dated 18th November 2025 amended Regulation 12 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) and in view of the above amendment, henceforth all payments of dividend or interest or redemption or repayment shall be through ‘Electronic Mode’ only and there shall be no physical warrants or cheques or drafts issued towards dividends, interest, redemption or repayment amounts, as applicable
- In view of the above:
- (a) The relevant formats for Nomination and Updation of KYC details viz; Forms ISR-1, ISR- 2, ISR-3, SH-13, SH-14 and SEBI circular are available on Company website as well as the website of MUFG Intime India Private Limited <https://web.in.mpms.mufg.com/KYC-downloads.html>.
- (b) Original cancelled cheque leaf bearing the name of the first holder failing which first security holder is required to submit copy of bank passbook/ statement attested by the bank which is mandatory for registering the new bank details.
- In view of the above, we request you to submit the KYC Form, duly completed along with Investor Service Request Form ISR-1 and the required supporting documents as stated in Form ISR-1 at the earliest to MUFG Intime India Private Limited.
10. As per Regulation 40 of the SEBI Listing Regulations, as amended, read with SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, and further amendment vide Notification No. SEBI/LADNRO/ GN/2018/49 dated November 30, 2018, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. Effective from January 24, 2022, requests for transmission or transposition of Securities held in physical or dematerialized form shall be effected only in dematerialized form. In view of this and to eliminate all risks associated with physical Shares and for ease of portfolio management, Members holding Shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or MUFG Intime India Private Limited, Company’s Registrar to an issue & Share Transfer Agent for assistance in this regard.
11. In terms of Section 72 of the Companies Act, 2013, Nomination facility is available to individual Shareholders holding Shares in the physical form. The

- Shareholders who are desirous of availing this facility, may kindly write to RTA of the Company, M/s. MUFG Intime India Private Limited., “Geetakunj” 1, Bhakti Nagar Society, Behind ABS Tower, Old Padra Road, Vadodara – 390 015, Gujarat, India, at rnt.helpdesk@in.mpms.mufg.com / Investor.helpdesk@in.mpms.mufg.com, quoting their folio number.
12. The details of the Director seeking appointment/re-appointment/retire by rotation at the ensuing AGM, pursuant to the provisions of Regulation 36(3) of the SEBI Listing Regulations, 2015, para 1.2.5 of the Secretarial Standards on General Meetings (SS-2) and other applicable provisions, are provided in Annexure - A to this Notice.
- Voting through Electronic means**
1. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, Members are provided with the facility to cast their votes electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in this Notice.
- The Company has appointed Suresh Kumar Kabra, Partner of Samdani Kabra & Associates, Company Secretaries, Vadodara as scrutiniser for scrutinising the e-voting process in a fair and transparent manner.
- The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. Thursday, April 23, 2026, may cast their vote electronically. The e-voting period will commence from Monday, April 27, 2026 at 9:00 a.m. (IST) and will end at 5:00 p.m. (IST) on Wednesday, April 29, 2026. The remote e-voting module will be disabled on April 29, 2026 at 5:00 p.m. (IST). The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, April 23, 2026. A Person who is not a Member as on the cutoff date should treat this Notice for information purpose only.
- The Members who have voted by remote e-voting prior to the AGM can also attend the AGM but shall not be entitled to cast their vote again.
- In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM. Facility of joining the AGM through VC/ OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members.
- Any person who acquires Shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Thursday, April 23, 2026, may obtain User ID and password by sending a request to evoting@nsdl.com. However, Members who are already registered with NSDL for e-voting, can use their existing User ID and password for casting their votes. If you forgot your password, you can reset your password by using “Forgot User Details/

Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 or send a request to Prajakta Pawle, Sr. Manager – NSDL at evoting@nsdl.com (Tel no.: 022 - 4886 7000 and 022 - 2499 7000) In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e., Thursday, April 23, 2026 may follow step 1 i.e. “Access to NSDL e-Voting system” as mentioned below.

The instructions for Members for remote e-voting are as under:-

The remote e-voting period begins on Monday, April 27, 2026 at 9:00 a.m. (IST) and will end at 5:00 p.m. (IST) on Wednesday, April 29, 2026. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. Thursday, April 23, 2026, may cast their vote electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, April 23, 2026. The Scrutinizer will submit the Report to the Chairperson or the Managing Director or the Executive Director of the

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp . You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com . Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.
NSDL Mobile App is available on	
 App Store   Google Play 	

Company as authorized by the Chairperson upon completion of the scrutiny of the votes cast through remote e-voting. The result of the e-voting shall be declared on or before May 2, 2026, at the Registered Office of the Company before the close of working hours.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.
	2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
	3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1.

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2.

Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3.

A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5.

Password details for shareholders other than Individual shareholders are given below:

a)

If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b)

If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

c)

How to retrieve your ‘initial password’?

(i)

If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

(ii)

If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

7.

After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8.

Now, you will have to click on “Login” button.

9.

After you click on the “Login” button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**
How to cast your vote electronically and join General Meeting on NSDL e-Voting system?
1.

After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.

2.

Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.

3.

Now you are ready for e-Voting as the Voting page opens.

4.

Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

5.

Upon confirmation, the message “Vote cast successfully” will be displayed.

6.

You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7.

Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General Guidelines for shareholders**
1.

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to samdanics@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-Voting” tab in their login.
- 353
- 354
- Corporate overview

Year 2025

Strategy

Business review

ESG

Statutory reports

Financial statements

Notice

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Prajakta Pawle at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investorsupport.in@schaeffler.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorsupport.in@schaeffler.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The instructions for members for e-voting on the day of the AGM are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investorsupport.in@schaeffler.com. The same will be replied by the company suitably.

iii. Process for registration of e-mail id for obtaining Integrated Annual Report and user id/password for e-voting and updating bank account mandate for receiving the dividend

Physical Holding

1. Please refer to the Notes of this notice for detailed procedure.
2. Shareholders are requested to register their e-mail address with MUFG Intime India Private Limited by clicking the link: https://web.in.mpms.mufg.com/EmailReg/Email_Register.html and follow the registration process as guided therein. Shareholders are requested to provide details such as Name, Folio number, Certificate number, PAN, Mobile number, e-mail ID, and also upload the image of Share Certificate and a duly signed request letter (up to 1 MB) in PDF or JPEG format. Alternatively, Members may send a request to the RTA of the Company, MUFG Intime India Private Limited at rnt.helpdesk@in.mpms.mufg.com / Investor.helpdesk@in.mpms.mufg.com and investorsupport.in@schaeffler.com providing the following documents for registering e-mail ID:

- a) A request letter providing name of the Member, Folio No., Mobile no., and e-mail address to be registered/updated and signed by Member (first holder, in case of jointly held).
- b) Self-attested scanned copy of PAN.
3. Shareholders are requested to register their Bank Details with MUFG Intime India Private Limited by sending hard copy of KYC Forms alongwith original cancel cheque leaf at MUFG Intime India Private Limited, Mumbai. Shareholders are requested to provide details such as Name, Folio number Certificate number, PAN, e-mail ID along with the copy of the cheque leaf with the first named Members name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code and a duly signed request letter (upto 1 MB) in PDF or JPEG format. On submission of the details for registration of e-mail ID/bank account an OTP will be received by the Shareholder which needs to be entered in the link for verification.

In case of any query, a Shareholder may send an e-mail to RTA at rnt.helpdesk@in.mpms.mufg.com / Investor.helpdesk@in.mpms.mufg.com

4. Members are requested to share the below details for registering/updating Bank Account:
- a) Name and Branch of the Bank in which dividend is to be received and Bank Account type
- b) Bank Account Number allotted by your bank after implementation of Core Banking Solutions
- c) 9-digit MICR Code and 11-digit IFSC Code
- d) Self-attested scanned copy of the cancelled cheque bearing the name of the Member (first holder, in case of jointly held).
5. A request letter for registering the bank account details is to be shared with (RTA) at rnt.helpdesk@in.mpms.mufg.com / Investor.helpdesk@in.mpms.mufg.com and investorsupport.in@schaeffler.com

Demat Holding

Please contact your Depository Participant (DP) and register your e-mail ID and bank account details with your demat account agency, as per the process advised by your Depository Participant.

1. Members are requested to submit their questions in advance along with their name and demat account no./ folio number to investorsupport.in@schaeffler.com till April 23, 2026. The questions raised by the Members will be replied suitably by the Company.
2. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail ID mentioning their name, demat account number/folio number, PAN, Mobile number at investorsupport.in@schaeffler.com till April 15, 2026. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

3. Members seeking any information with regards to accounts or any matters to be placed at the AGM, are requested to write to the Company in advance through e-mail at investorsupport.in@schaeffler.com. The same will be replied by the Company suitably.
4. Statement as required under Section 102 of the Companies Act, 2013 in respect of Item Nos. 4 under 'Ordinary Business' and 5 under ‘Special Business’, is attached hereto. All relevant documents referred to in this Notice and the Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays and Sundays, during business hours up to the date of the Meeting. Also, the electronic copy of the relevant documents referred to in the accompanying Notice and the Statement will be made available for inspection by the Members through e-mail. Members can send a request for the inspection of such documents to investorsupport.in@schaeffler.com.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form should submit their PAN to the Company/RTA.

Members are requested to note that pursuant to the SEBI circulars dated November 03, 2021, December 14, 2021, March 16, 2023 and November 17, 2023, SEBI Master Circular No. SEBI/ HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, and SEBI Master Circular No. SEBI/ HO/MIRSD/MIRSD-PoD/P/CIR/2025/91 dated June 23, 2025, it is mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 1, 2024. Members are requested to take note of the above and ensure compliance to the directions from SEBI.

Statement under Section 102 of the Companies Act, 2013 relating to Ordinary Business and Special Business mentioned in the Notice convening the 63rd Annual General Meeting:

Item No. 4. To appoint Price Waterhouse, Chartered Accountants LLP (Firm Registration Number: 012754N/N500016) as the Statutory Auditors) for a term of five consecutive years and authorise Board of Directors to fix their remuneration.

Walker Chandiok & Co LLP, Chartered Accountants LLP, (Firm Registration Number: 001076N/N500013) will complete their first term of 5 (Five) years as Statutory Auditors on the conclusion of 63rd Annual General Meeting of the Company. The Board of Directors has recommended the appointment of Price Waterhouse, Chartered Accountants LLP, (Firm Registration Number 012754N/ N500016), as Statutory Auditors of the Company for a period of 5 (Five) consecutive years, commencing from the conclusion of 63rd AGM till the conclusion of the 68th AGM, subject to approval of the Shareholders of the Company.

Price Waterhouse, Chartered Accountants LLP, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The details required to be disclosed under provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

- A. Proposed fees payable to the statutory auditor(s): ₹7.60 Million plus applicable taxes. There is no material change in the fees payable to Price Waterhouse, Chartered Accountants LLP from that paid to Walker ChandioK & Co LLP, Chartered Accountants LLP.
- B. Terms of appointment: Appointment as Statutory Auditors of the Company from conclusion of 63rd AGM up to conclusion of 68th AGM to carry out Audit of the Financial Statements and Annual Financial Results of the Company and Limited Review of the Unaudited Quarterly Financial Results of the Company. All other terms of appointment shall be as per Letter of Engagement.
- C. Rationale/Basis of recommendation for appointment: The Board of Directors and Audit Committee have considered various evaluation criteria with respect to skillset, governance & competitiveness and recommend the appointment of Price Waterhouse, Chartered Accountants LLP as the Statutory Auditors to the Shareholders of the Company.
- D. Credentials of the Statutory Auditors proposed to be appointed: Price Waterhouse Chartered Accountants LLP (Registration No.: 012754N/ N500016) is Registered with the Institute of Chartered Accountants of India. The Firm is establishment in the year 1991. The Firm is primarily engaged in providing auditing and other assurance services to its clients and is a member firm of Price Waterhouse & Affiliates, a network of firms registered with the Institute of Chartered Accountants of India. Price Waterhouse & Affiliates is a network of separate, distinct and independent Indian Chartered Accountant firms, each of which is registered with the Institute of Chartered Accountants of India. The Firm has more than 110 Assurance Partners as of April 1, 2025. The firm has a valid peer review certificate and audits various companies listed on stock exchanges in India.

Price Waterhouse, Chartered Accountants LLP have provided confirmation that they have subjected themselves to peer review process of the Institute of

Chartered Accountants of India (ICAI) and hold a valid certificate issued by the ‘Peer Review Board of ICAI’. The Company has received their eligibility and willingness for their proposed appointment as a Statutory Auditor for the period from conclusion of the 63rd AGM up to the conclusion of 68th AGM of the Company.

None of the Directors, Key Managerial Personnel, Manager of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 4 of the Notice.

The Board recommends the resolution set forth in item No. 4 of the Notice for approval of the Members as an Ordinary Resolution.

Item No. 5. To ratify remuneration of the Cost Auditors
Upon recommendation of the Audit Committee, the Board of Directors of the Company in its meeting held on February 24, 2026, has, based upon the eligibility and consent to act as such, re-appointed M/s Y. S. Thakar & Co., Cost Accountants, as the Cost Auditors of the Company for conducting the audit of the cost records of the Company for the financial year ending December 31, 2026.

The Audit Committee and the Board of Directors of the Company have approved a remuneration of ₹275,000/- (Rupees Two Lakhs Seventy-Five Thousand Only) to M/s Y. S. Thakar & Co., Cost Accountants excluding all taxes and reimbursement of out of pocket expenses for the year 2026.

Pursuant to Section 148 of the Companies Act, 2013 read with the Rule 14 of Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration to be paid to the Cost Auditors of the Company.

Accordingly, consent of the Members is sought by way of Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration to be paid to the Cost Auditors for conducting the audit of the cost records of the Company for the financial year ending December 31, 2026.

The recommendations are based on the fulfillment of the eligibility criteria & qualification prescribed under the Act and rules framed thereunder with regard to cost audit, experience of the firm, capability, independent assessment, audit experience and also based on the evaluation of the quality of audit work done by them in the past.

None of the Directors, Key Managerial Personnel, Manager of the Company and their Relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 5 of the Notice.

The Board recommends the Resolution under Item No. 5 of the Notice for approval of the Members as an Ordinary Resolution.

By Order of the Board

Bengaluru
February 24, 2026

Schaeffler India Limited
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Phone : +91-20-68198400
E-mail : investorsupport.in@schaeffler.com
Website : www.schaeffler.co.in

Ashish Tiwari
VP-Legal & Company Secretary

Annexure – A

Information on Directors seeking appointment/re-appointment at 63rd Annual General Meeting pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to provisions of Secretarial Standard 2 on the General Meetings:

Name	Jens Schüler
Director Identification No.	10422738
Date of Birth/Age	August 24, 1974/51 Years
Qualification	Economist, from the Johannes Gutenberg University Mainz
Brief Profile and nature of expertise in specific functional area and experience	Jens Schüler was appointed as a Non-Executive Non-Independent Director of Schaeffler India Limited with effect from January 1, 2024. Jens Schüler brings with him over 23 years of professional experience. He has held leading positions within the Automotive Aftermarket Division of Schaeffler in strategic planning and project management area. In 2014, Jens Schüler assumed leadership of the Automotive Aftermarket business unit in North America and was additionally given responsibility for the Aftermarket business in South America. With the establishment of Automotive Aftermarket as an Executive Board function in 2018, Jens Schüler took over as Head of Global Sales and Marketing. In 2022, Jens Schüler was appointed as a member of Schaeffler AG’s Executive Board and is responsible for the Schaeffler Group’s Automotive Aftermarket business.
Date of first appointment on the Board	January 1, 2024
Category	Non-Executive Non-Independent
Relationship with other Directors, Managers and KMP	Not related to any other Directors, Manager or KMP
Current Remuneration (last drawn remuneration)	Nil
Details of remuneration sought to be paid	Not Applicable
Terms and Conditions of appointment/Terms of revised remuneration	Jens Schüler shall continue to be subject to terms and conditions of his appointment as Non-Executive Director.
Shareholding in the Company including shareholding as a beneficial owner	Nil
No. of Meetings of the Board attended during the year 2025	5 out of 5 Board Meetings attended
Directorships – Listed Companies	Schaeffler India Limited
Directorships – Non-listed Companies	1. Schaeffler AG 2. Schaeffler Technologies AG & Co. KG 3. Schaeffler Bühl Verwaltungs GmbH 4. Schaeffler AS Auslandsholding GmbH 5. Schaeffler Automotive Aftermarket International Holding GmbH 6. Schaeffler KWK Verwaltungs GmbH 7. Schaeffler Automotive Aftermarket GmbH & Co. KG 8. PARTSLIFE GmbH
Committee Membership/ Chairmanship	Risk Management Committee - Member Corporate Social Responsibility Committee - Member
Listed entities from which the person has resigned in the past three years	None

Schaeffler India Limited

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